IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

VAS-CATH INCORPORATED,	)	
Plaintiff,	)	
	)	
vs.	)	**Case No. 05-0400-CV-W-GAF**
	)	
CURATORS OF THE UNIVERSITY	)	
OF MISSOURI;	)	
CONNIE HAGER SILVERSTEIN,	)	
in her official capacity;	)	
MARY L. JAMES, in her official	)	
capacity;	)	
VICKI M. ELLER, in her official	)	
capacity;	)	
THOMAS E. ATKINS, in his official	)	
capacity;	)	
ANGELA M. BENNETT, in her	)	
official capacity;	)	
MARION H. CAIRNS, in her official	)	
capacity;	)	
M. SEAN MCGINNIS, in his official	)	
capacity;	)	
ANNE C. REAM, in her official	)	
capacity;	)	
CHERYL D.S. WALKER, in her	)	
official capacity;	)	
and DON WALSWORTH, in his	)	
official capacity,	)	
	)	
Defendants.	)	

ORDER

Presently before the Court is a Motion to Dismiss the First Amended Complaint Based on the Eleventh Amendment filed by Defendants, Curators of the University of Missouri ("the University") and the

above listed individuals named in their official capacities as members of the Board of Curators of the University of Missouri ("Board of Curators")[1] (collectively "Defendants"). Defendants move the Court to dismiss this action under Fed. R. Civ. P. 12(b)(1) ("12(b)(1)") for lack of subject matter jurisdiction, Fed. R. Civ. P. 12(b)(2) ("12(b)(2)") for lack of personal jurisdiction, and/or Fed. R. Civ. P. 12(b)(6) ("12(b)(6)") for failure to state a claim for which relief can be granted. (Doc. #36). Defendants argue that they are immune from suit under the Eleventh Amendment to the United States Constitution ("Eleventh Amendment"). Plaintiff Vas-Cath, Inc. ("Plaintiff") opposes this Motion, arguing that the University has waived immunity under the Eleventh Amendment by voluntarily submitting to the jurisdiction of the federal courts and that the Board of Curators is not entitled to protection under the Eleventh Amendment. After carefully considering the facts and arguments presented by the parties, this Court concludes that this suit is barred under the Eleventh Amendment. Accordingly, Defendants' Motion to dismiss for lack of subject matter jurisdiction under Fed. R. Civ. P. 12(b)(1) is GRANTED.

DISCUSSION

I. Facts

This action arises from a decision of the U.S. Patent and Trademark Office Board of Patent Appeals and Interferences ("PTO Board") in Interference No. 103,988[2], entitled Martin et al. v.

[1]"The Curators of the University of Missouri" is the name of the State University of Missouri, which is a constitutionally based public entity under Article IX § 9(a) of the Missouri Constitution. Mo. Rev. Stat. § 172.030 (2000). The "Board of Curators of the University of Missouri" is the governing body of the University and consists of nine individuals appointed by the governor. Mo. Const. Art. IX, § 9(a); Mo. Rev. Stat. § 172.030.

[2]An interference is a proceeding to determine priority of inventorship between two patent applications, or between a patent and a pending patent application.

Twadowski et al. (Doc. #13). Martin et al. ("Martin") was involved in the interference on the basis of its U.S. Patent No. 5,156,592 ("the '592 patent"), which was assigned to Plaintiff. Id. Twardowski et al. ("Twardowski") was involved on the basis of its U.S. Patent Application No. 08/412,114 ("'114 application"), which was assigned to the Univeristy. Id. Both the '592 patent and the '114 application claim the same invention, uniquely designed catheters for hemodialysis. Id.

Although the PTO Board has procedures in place which allow an applicant to bring information to the attention of the PTO Board and request an interference, the decision to institute an interference rests entirely with the PTO Board, and no applicant can force the PTO Board to institute an interference. *See* 35 U.S.C. § 135(a); 37 C.F.R. § 1.607(a); *see also* Eli Lilly & Co. v. Bd. of Regents of the Univ. of Wash., 334 F.3d 1264, 1267 (Fed. Cir. 2003). In this case, the PTO Board declared an interference on or about August 19, 1997. (Doc. #13). Plaintiff alleges that several of the claims in the '114 application were copied from claims earlier set forth in the '592 patent, thereby provoking the interference[3]. Id. The PTO Board rendered judgment on July 30, 2003, awarding priority of invention to Twardowski, ruling that Twardowski is entitled to a patent on the invention, and further ruling that Martin is not entitled to a patent on the invention. Id.

Following the PTO Board's decision in the interference, Plaintiff had two possible avenues for obtaining review of the PTO Board's decision. Plaintiff had the opportunity to obtain review of the PTO Board's adverse decision under 35 U.S.C. § 141 ("§ 141"), which provides for a direct appeal to the

[3]"Copying" claims means presenting claims which recite substantially similar subject matter that another patent or application already described. In this case, the University pointed out to the Patent Examiner that the claimed subject matter was substantially the same as it appeared in the Plaintiff's patent. (Doc. #42).

United States Court of Appeals for the Federal Circuit. Plaintiff also had the option of proceeding under 35 U.S.C § 146 ("§ 146"), which allows a party who is dissatisfied with the PTO Board's decision in an interference proceeding to file suit in a district court. Plaintiff chose to proceed under § 146. (Doc. #13). Unlike § 141, under § 146, the parties are not limited to the evidence that was introduced before the PTO Board; instead, parties may take further testimony and conduct discovery. Winner Int'l Royalty Corp. v. Wang, 202 F.3d 1340, 1347 (Fed. Cir. 2000). Because § 146 permits the parties to introduce new evidence and requires the district court to make *de novo* factual findings when live testimony is proffered for matters that were before the PTO Board, a suit under § 146 is described as a hybrid of an appeal and a trial *de novo.* Id.

After the PTO Board rendered its decision, Plaintiff filed its original complaint against the University in the United States District Court for the District of Columbia ("D.C. district court") on September 22, 2003. (Doc. #1). The Plaintiff amended its complaint on December 5, 2003, naming as additional defendants the individual members of the Board of Curators, as well as a former student representative to the Board of Curators. (Doc. #13). With respect to both the University and the individually named Defendants, Plaintiff alleges that "the effect of defendants' conduct will be to create a wrongful monopoly on catheter products...in favor of the above-named defendants and their licensees, even though such products were earlier patented by the Plaintiff and its inventors, Geoffrey E. Martin and Jonathan E. Last." Id. Plaintiff seeks a declaratory judgment reversing the portions of the PTO Board's decision that are adverse to the Plaintiff, as well as prospective injunctive relief enjoining the Defendants from interfering with the Plaintiff's rights in the '592 patent. Id.

Defendants filed two motions to dismiss, one based on the Eleventh Amendment, and the other

based on personal jurisdiction. (Docs. #36, 37). The D.C. district court did not rule on Defendants' motion to dismiss based on the Eleventh Amendment. Instead, the D.C. district court found that it lacked personal jurisdiction over the Defendants and transferred the action to this Court on April 18, 2005. (Doc. #48).

Plaintiff argues that, because the University participated in the proceeding instituted by the PTO Board, it waived any Eleventh Amendment immunity that it may otherwise have had. (Doc. #39). Plaintiff further argues that the individual defendants, in their official capacities as members of the Board of Curators, are proper parties in this suit because they cannot avail themselves of Eleventh Amendment immunity. Id. Defendants argue that participation in an administrative agency proceeding does not amount to a waiver of Eleventh Amendment immunity, and that the individually named members of the Board of Curators are entitled to the protections of the Eleventh Amendment. (Docs. #36, 42).

II. Legal Standard

The Eighth Circuit has not articulated the standard under which a Motion to Dismiss on the basis of Eleventh Amendment Immunity should be considered. However, district courts within the Eighth Circuit have addressed motions to dismiss based on Eleventh Amendment immunity under both 12(b)(1) and 12(b)(6).[4] Under 12(b)(6), a cause of action may be dismissed for the failure to state a claim upon which relief may be granted. When considering a 12 (b)(6) motion to dismiss, the court treats all well pled facts as true and grants all reasonable inferences therefrom in favor of the non-moving party. Westcott v. City

[4] For example, Parsons v. Burns, 846 F.Supp. 1372, 1374 (W.D. Ark. 1993) addressed an Eleventh Amendment challenge under 12(b)(1) and Burlington Northern, Inc. v. North Dakota, 460 F.Supp. 140, 141 addressed an Eleventh Amendment challenge under both 12(b)(6) and 12(b)(1).

of Omaha, 901 F.2d 1486, 1488 (8th Cir. 1990). However, the court is not required to accept the pleader's own legal conclusions. Id. A motion to dismiss should only be granted if it appears from the face of the complaint that the plaintiff cannot prove any set of facts to support his claims for relief. Morton v. Becker, 793 F.2d 185, 187 (8th Cir. 1986)

To prevail on a motion to dismiss for lack of subject matter jurisdiction under 12(b)(1), the plaintiff must successfully attack the complaint, either on its face or on the factual truthfulness of its averments. Hoeffner v. Univ. of Minnesota, 948 F.Supp. 1380, 1383 (D. Minn. 1996), *citing* Titus v. Sullivan, 4 F.3d 590, 593 (8th Cir. 1993) and Osborn v. United States, 918 F.2d 724, 729 n. 6 (8th Cir. 1990). In a facial challenge, all of the factual allegations in the non-moving party's pleadings which concern the jurisdictional issue are presumed to be true. Id. at 1383-84. Therefore, the non-moving party is entitled to the same protections it would receive under 12(b)(6). Id. at 1384. On the other hand, in a factual challenge to subject matter jurisdiction, the court considers matters outside the pleadings and the non-moving parties are not entitled to the safeguards of 12(b)(6) in that no presumption of truthfulness attaches to the allegations. Hoffner, 948 F.Supp. at 1384. Because Defendants in the instant case attack the Plaintiff's complaint and not the truthfulness of its allegations, this Court treats Defendants Motion as a 12(b)(1) facial challenge. Accordingly, this Court will not consider any evidence outside the complaint and will treat all of the Plaintiff's well pled facts as true.

III. Analysis

A. The University

The Eleventh Amendment provides: "The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by

Citizens of another State, or by Citizens or Subjects of any Foreign State." Suits in federal court against unconsenting states are banned under the The Eleventh Amendment. *See* Seminole Tribe of Fla. v. Florida, 517 U.S. 44, 72 (1996). The Eleventh Amendment presupposes that it is inherent in the nature of sovereignty that states are not amenable to suit in federal court without the state's consent. Id. at 54.

In addition to banning suits against non-consenting states, the Eleventh Amendment also encompasses certain actions in which a state agent or instrumentality is named as a defendant. Regents of the Univ. of Cal. v. Doe, 519 U.S. 425, 429 (1997). The University, which was established under the Missouri Constitution, is considered an instrumentality of the state, and therefore enjoys Eleventh Amendment protection. Sherman v. Curators of the Univ. of Missouri, 871 F.Supp 344, 345 (W.D. Mo. 1994).

However, a state's Eleventh Amendment immunity from suit is not absolute; Congress may authorize such a suit in the exercise of its power to enforce the Fourteenth Amendment, and a state may waive its sovereign immunity by consenting to suit. Coll. Sav. Bank v. Florida Prepaid Postsecondary Ed. Expense Bd., 527 U.S. 666, 670 (1999). It is well settled that a state's waiver of sovereign immunity must be unequivocally expressed and cannot be implied. Id. at 682. *See also* United States v. King, 395 U.S. 1, 4 (1969).

One way that a state may waive its Eleventh Amendment immunity is by voluntarily submitting to the jurisdiction of the federal courts. Lapides v. Bd. of Regents of the Univ. Sys. of Georgia, 535 U.S. 613 (2002). Plaintiff relies heavily on the Lapides case to support its argument that, by participating in the PTO Board proceedings, the Defendants engaged in "litigation conduct" and voluntarily submitted to the jurisdiction of the federal court. (Doc. #39). In Lapides, a state University professor in Georgia sued the

state university in state court pursuant to a statutory waiver of Georgia's immunity from suit in state court. Lapides, 535 U.S. at 616. The University removed the action to federal court. Id. The Supreme Court held that, because the University voluntarily removed the action from state to federal court, it had submitted to the jurisdiction of the federal courts and thereby waived its Eleventh Amendment immunity. Id. at 619.

Plaintiff argues that, like the state's removal of the action to federal court in Lapides, the University in this case waived its Eleventh Amendment immunity by "instigating" and actively participating in the proceedings of the PTO Board. (Doc. #39). However, the obvious difference between Lapides and the instant case is that the University did not file suit in federal court, did not voluntarily remove the action from state to federal court, and did not "file" suit with the PTO Board. Although the University *requested* that the PTO Board institute an interference, the *decision* to institute an interference rests entirely with the PTO Board and no applicant can "file" or "instigate" an interference. *See* 35 U.S.C. § 135(a); 37 C.F.R. § 1.607(a); *see also* Eli Lilly & Co., 334 F.3d at 1267.

On similar facts, other circuits have found that participation by a state in agency proceedings is insufficient to waive Eleventh Amendment immunity. In McGinty v. New York, 251 F.3d 84, 92 (2nd Cir. 2001), the plaintiffs argued that the defendants waived their Eleventh Amendment immunity by declining to raise it as a defense and instead participating in EEOC proceedings. The plaintiffs asserted that because the defendants failed to invoke the Eleventh Amendment immunity defense before the EEOC, their participation in the EEOC proceedings was tantamount to affirmatively invoking federal jurisdiction. Id. at 93. The Second Circuit stated that, where no affirmative claim was made by the state, the state's involvement in the EEOC proceeding did not constitute a waiver of Eleventh Amendment immunity. Id.

In Quileute Indian Tribe v. Babbitt, 18 F.3d 1456 (9th Cir. 1994), the Ninth Circuit addressed whether an Indian tribe's participation in federal agency proceedings constituted a waiver of tribal immunity[5]. Id. at 1459. The Quileute and Quinault tribes both claimed an interest in escheated property, and both participated in proceedings before the Interior Board of Indian Appeals ("IBIA"). Id. at 1457-58. The Quileute tribe filed suit in federal court seeking review of the IBIA's decision that the land belonged to the Quinault tribe. Id. at 1458. The Quileutes contended that the Quinaults waived their immunity by participating in the IBIA proceedings. Id. at 1459. The Ninth Circuit stated that "the Quinaults' voluntary participation before the IBIA is not the express and unequivocal waiver that we require in this circuit," and held that "the Quinaults' participation in the administrative proceedings did not waive the tribe's immunity in the subsequent court action." Id. at 1460.

Additionally, a state does not waive its sovereign immunity simply by engaging in activities normally conducted by private individuals or corporations. *See* College Sav. Bank, 527 U.S. at 680-685. In College Savings Bank, the Court stated that "a suit by an individual against an unconsenting State is the very evil at which the Eleventh Amendment is directed–and it exists whether or not the State is acting for profit, in a traditionally 'private' enterprise." Id. at 685. In the instant case, the University's participation in the federal system for procuring a patent, although traditionally a private enterprise, is not sufficient to constitute the type of clear, unmistakable consent required for waiver.

In the instant case, neither the University's request for and participation in the PTO Board proceedings nor its participation in the patent system is sufficient to give rise to a waiver of Eleventh

[5]Indian tribes are regarded as sovereign entities that possess common-law immunity from suit. Id. Like the states, the waiver of tribal immunity must be express and cannot be implied. *See* Id.

Amendment immunity. Accordingly, the University is entitled to the protections of the Eleventh Amendment.

B. The Board of Curators

"Generally, the law considers state officials acting in their official capacities to be acting on behalf of the state and immune from unconsented lawsuits under the Eleventh Amendment." Elephant Butte Irr. Dist. of New Mexico, 160 F.3d 602, 607, *citing* Kentucky v. Graham, 473 U.S. 159, 165-66 (1985). The Constitution forbids a suit which is nominally against individuals but in substance is a suit against the state. Worchester County Trust Co. v. Riley, 302 U.S. 292, 296 (1937). However, the Ex Parte Young doctrine provides a limited exception to the general rule that states and their officials are immune from suit. Ex Parte Young, 209 U.S. 123 (1908).

In Young, the Supreme Court reasoned that a state cannot authorize its officers to violate the U.S. Constitution, so any state officer acting unconstitutionally is stripped of his official capacity and thus of Eleventh Amendment immunity. Young, 209 U.S. at 159-160. Suits against state officials can only be pursued in federal court when the action sought to be restrained is without the authority of state law or violates the statutes or Constitution of the United States. Worcester County Trust Co., 302 U.S. at 297. Thus, the Ex Parte Young doctrine only applies to prevent Eleventh Amendment immunity if the plaintiff alleges that state officials are committing an ongoing constitutional violation or violating a federal law. *See* Cory v. White, 457 U.S. 85, 91 (1981); Worcester County Trust Co., 302 U.S. at 297.

In the instant case, Plaintiff's suit is clearly only nominally against the individual members of the Board of Curators, and in substance is a suit against the state. Plaintiff has named as Defendants individual members of the Board of Curators, including one former student representative to the Board of Curators.

(Doc. #13). The Plaintiff alleges that "the effect of defendants' conduct will be to create a wrongful monopoly on catheter products...in favor of the above-named defendants and their licensees, even though such products were earlier patented by the Plaintiff and its inventors, Geoffrey E. Martin and Jonathan E. Last." Id. The Plaintiff does not specify what "conduct" it is referring to with respect to any of the individually named members of the Board of Curators. Indeed, Plaintiff does not even allege that any of the listed members of the Board of Curators had any individual involvement in the PTO Board proceeding or in any other aspect of Plaintiff's suit.

Not surprisingly, Plaintiff fails to allege any federal law or constitutional principle that any of the individually named defendants may have violated. Plaintiff's assertion that the Board of Curators "created a wrongful monopoly" on catheter products is a conclusion which is completely unsupported by any factual allegations regarding the conduct of any individual members of the Board of Curators. The fact that the Plaintiff disagrees with the PTO Board's decision does not mean that the individual members of the Board of Curators somehow violated federal law by accepting the PTO Board's favorable decision. The Plaintiff has alleged no facts in support of its argument that the Ex Parte Young doctrine applies in this case. This Court cannot conclude that the individual members of the Board of Curators in any way "created a wrongful monopoly on catheter products" simply by virtue of their status as state officials. Accordingly, the Ex Parte Young exception does not apply to this case, and Plaintiff's suit is barred under the Eleventh Amendment.

CONCLUSION

Neither the University's use of the patent system nor its request for and participation in the PTO Board's interference proceedings constitute a waiver of Eleventh Amendment immunity. Moreover, the

fact that the Plaintiff nominally named as defendants individual members of the Board of Curators is insufficient to invoke the Ex Parte Young doctrine to overcome the Defendants' Eleventh Amendment immunity. Consequently, this Court lacks subject matter jurisdiction over this suit and the Defendants' Motion is GRANTED.

IT IS SO ORDERED.

/s/ Gary A. Fenner
GARY A. FENNER, JUDGE
United States District Court

DATED: October 25, 2005