No. 19-1434, 19-1452, & 19-1458

IN THE

Supreme Court of the United States

UNITED STATES OF AMERICA,

PETITIONER,

v.

ARTHREX, INC., ET AL.,

RESPONDENTS.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF AMICUS CURIAE ADMINISTRATIVE, CONSTITUTIONAL, AND INTELLECTUAL PROPERTY LAW PROFESSORS URGING REVERSAL AND SUPPORTING PETITIONERS In 19-1434 & 19-1452

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INTEREST OF THE AMICI CURIAE[1]

Amici curiae (listed in the Appendix) are professors of administrative, constitutional, and intellectual property law, who have taught, written, and/or litigated on the subjects of these consolidated cases. Amici have no interest, financial or otherwise, in these cases, and they are filing this brief solely to provide the Court with their analysis, which differs from that of the petitioners, on the basis on which this Court should reverse the judgment below. Amici agree that the Administrative Patent Judges (APJs) whose appointments are at issue are inferior officers and hence were properly appointed under the Appointments Clause. However, if the Court concludes that APJs are principal officers, amici urge the Court not to approve the remedy adopted by the Federal Circuit and supported by the United States—striking the "for-cause" limitation on removal of APJs. Rather, the resolution of how to comply with the Appointments Clause should be left to Congress.

INTRODUCTION AND SUMMARY OF ARGUMENT

As long as there have been patents, there have been alleged infringers who have been sued by the owner of the patent. Infringement cases are

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[1] No person other than the amici have authored this brief in whole or in part or made a monetary contribution toward its preparation or submission. It is filed pursuant to blanket consents filed by all parties.

litigated in federal courts where the legal issues have been decided by Article III judges and the factual questions resolved by juries. In many infringement cases, the alleged infringer will contend that the patent is invalid even though properly issued by the Patent & Trademark Office ("PTO"). Patents are issued through an ex parte non-adversary process in which trained patent examiners review the application to determine whether the patent and the various and often numerous claims that are made meet the standards required by law for a valid patent. During this process, private third parties (*i.e.*, a competitor or potential infringer) are not allowed to participate.

The PTO is a busy office. For example, in 2019, the office issued 391,103 patents. https://www.uspto.gov/web/offices/ac/ido/oeip/taf/st_co_19.htm. Many patents have little or no commercial value and hence never become the subject of infringement litigation. But for those patents that generate litigation, the court proceedings are lengthy and costly and are often conducted before judges and juries with no training in patents. After prior efforts to provide an alternative forum for resolving patentability disputes were unsuccessful, Congress created "inter partes" review in the America Invents Act of 2011 ("AIA"), 35 U.S.C. §§ 311 *et seq*.

The basic principle of inter partes review is that any party, including an alleged infringer, may petition the PTO to commence an administrative

proceeding to review the patentability requirements of novelty and nonobviousness in 35 U.S.C. §§ 102 & 103. If the PTO grants the petition and concludes that the patent is invalid, any parallel infringement action will be dismissed. *Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 721 F.3d 1330 (Fed. Cir. 2013).

If the PTO agrees to undertake inter partes review, the case is assigned to a panel of three Administrative Patent Judges ("APJs") who are appointed by the Secretary of Commerce. 35 U.S.C. §§ 6(c), 6(a). As of October 2019, there were 266 APJs.[2] Typically, one of the APJs assigned to a case is an expert in the subject matter of the patent as well as in patent law generally. § 6(a). APJs are part of the Patent Trial and Appeal Board ("PTAB" or the "Board"), whose other members include the Director of the PTO, who is appointed by the President with the advice and consent of the Senate, § 3(a), and the Deputy Director, the Commissioner for Patents, and the Commissioner for Trademarks, who are appointed by the Secretary. § 6(a).[3]

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[2] https://www.uspto.gov/sites/default/files/documents/What%20is%20PTAB%20for%20website%2010.24.19.pdf (p. 3).

[3] Until 2008, APJs were appointed by the Director, but because the Director is not a Department Head, and because Congress determined that APJs are inferior officers, it required the Department Head to make the appointment. P.L. 110–313, 122 Stat 3014, § 1(a)(1)(B).

An inter partes case is adjudicated in what is "less like a judicial proceeding and more like a specialized agency proceeding." *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2143 (2016). However, it has "many of the usual trappings of litigation. The parties conduct discovery and join issue in briefing and at an oral hearing. §§ 316(a)(5), (6), (8), (10), (13)." *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). Based on that record, a panel of three APJs decides the legal and factual issues of novelty and nonobviousness and issues a final written decision. 35 U.S.C. § 318(a). There are no other officers within the Department who have the authority to review, or do in fact do review, decisions of APJs before they may be appealed to the Federal Circuit by either the patent owner or by the party challenging the patent. *Id.* §§ 319, 141(c).[4]

The Federal Circuit in these cases concluded that APJs are principal rather than inferior officers under the Appointments Clause. The parties agree that the answer to this question is determined in part by the duties that APJs perform and the degree of supervision over them. It is agreed that APJs serve only as judicial officers, meaning that they have no authority to issue rules or otherwise make policy. The Director of the PTO has administrative supervisory authority over them

[4] A case may be reheard by the Board pursuant to 35 U.S.C. § 6(c), but no party has suggested that rehearings are frequently granted. They are heard by panels of at least three, and so even if the Director, who is the only principal officer on the Board, sat on all of them, rehearings would not solve the problem identified by the Federal Circuit.

but has no power to review specific decisions. Although the Director has certain other duties and powers that affect APJs, none of them is significant enough to constitute meaningful supervision of the kind that those officers found to be principal officers in other contexts have possessed. The same is true of other officials in the Department, including the Secretary. And, as noted above, none of them has express authority to review the substance of a decision of an APJ panel in an inter partes proceeding.

Although the statute creating the office of APJ does not have specific protections against "at will" removal, the parties agree that, under a general statute that is not limited to APJs, they may be disciplined or removed "only for such cause as will promote the efficiency of the service." 5 U.S.C. § 7513(a). Thus, although the Secretary may seek the removal of an APJ for cause, an APJ, like other federal employees, may obtain review of such an effort before the Merit Systems Protection Board. The validity of those restrictions on removal is not the basis for any direct challenge in these cases, but the Federal Circuit concluded that their elimination would cure the Appointments Clause violation that it found.

In these consolidated petitions, the parties agree that APJs are not employees and that they are at least inferior officers. It is further agreed that, if APJs were properly designated as inferior officers by Congress, the method of their appointment provided by law satisfies the

Constitution. The issue now before this Court is whether APJs are principal officers who must be, but were not, appointed by the President with the advice and consent of the Senate.

The Federal Circuit recognized that this Court has not set forth a definitive test by which to determine whether Congress' designation of inferior officer status is constitutional. It examined various factors that it found relevant, and it found, on balance, that APJs were not inferior officers. That conclusion is incorrect. As demonstrated below, the "totality of all the circumstances" method is not an administrable way to resolve these questions, nor is it compelled by the Constitution. Instead, amici urge the Court to decide this case by relying on two objective factors that support the conclusion that APJs and other similarly situated officers in other Departments are inferior officers.

First, Congress determined by its careful selection of the method by which APJs are appointed that APJs are inferior officers. Under the express provisions of the Appointments Clause, an officer may not be an inferior officer unless Congress has, by law, so provided. When Congress authorized the Secretary to appoint APJs, the Senate gave up the power to oversee their appointment that it has for principal officers. In addition, when the President signed the AIA into law, he surrendered his power to appoint APJs, although he may still make "suggestions" to the Secretary. There is no reason to suppose that

Congress would have agreed to an alternative means of appointment here or in other similar situations unless it concluded that the duties of the office at issue were such that it could confidently leave their appointment to one of the three alterative appointing authorities provided in the Appointments Clause, here the Head of the Commerce Department. As several Justices have recognized, at least where Congress has created an inferior office, there should be a rebuttable presumption that Congress has acted constitutionally. Because there is no basis to second-guess that determination in this instance, such a presumption should apply here.

The second fact supporting the inferior officer designation for APJs is that their position is strictly limited to that of an adjudicator who must follow the law as set forth by Congress and, to the extent applicable, by principal officers in the Commerce Department for which they work. They do not have authority to issue rules or otherwise make policy, except to the extent that any adjudication involves policy choices. They also have no authority to commence enforcement proceedings of any kind, civil or criminal. Their duties to decide cases under the patent laws arise when a party seeks review before the PTO, the Director decides (or delegates the decision to decide) whether review is appropriate, and the case is assigned to specific APJs. Although the patent owner may not seek inter partes review, it knows that, when it commences an infringement action, there is a real possibility that such review will be

sought and obtained. But it also knows that the Federal Circuit will review an inter partes ruling on the validity of a patent, just like one coming from a federal district court. Those facts all support the reasonableness of Congress' determination that APJs are inferior officers because they have no significant duties inconsistent with that status.

If the Court nonetheless affirms the Federal Circuit's conclusion that APJs are principal officers, it should reject the Federal Circuit's remedy of striking the "for cause" limitation on the removal of APJs. That rejection would not affect the result in these cases because the APJ decision in this case was not made by properly appointed officers and thus cannot stand. However, the outcome in other inter partes review cases will be determined depending on whether the Federal Circuit's remedial ruling is upheld. The United States has taken the position that the elimination of for-cause removal solves the Appointments Clause problem, but that view is mistaken for two reasons.

First, if there is a flaw in the current system, it is that the requirement of Presidential appointment and Senate confirmation for principal officers has not been met. Making APJs subject to removal at will on the back end does not cure the front-end problem of an unconstitutional appointment. One simply has nothing to do with the other, in contrast to a case in which the appointment of the officer is valid, and the only

question is whether a restriction on removal is permissible. *See Seila Law, LLC v. Consumer Financial Protection Bureau*, 140 S. Ct. 2183 (2020).

There are at least two direct ways that the problem can be solved, but they require Congress to make the change prospectively. Congress could make all APJs principal officers, by requiring that they be appointed by the President and confirmed by the Senate. It could also create a layer of appellate patent judges who are appointed as principal officers and who would review all APJ decisions, much the way (although not necessarily subject to the same standard of review) that the Securities & Exchange Commission applies when it reviews decisions by its administrative law judges.

Second, to the extent that the attempted cure might be found through a severability analysis, the Federal Circuit did not sever an unconstitutional provision; it re-wrote not just the law creating the inter partes review but the separate law providing for protection for APJs against removal at will. By doing so, the Federal Circuit imposed its view of what an inter partes review system should be in place of the one that Congress actually created.

Under the law governing inter partes review, independent APJs, who are not part of the policymaking process, make determinations of law as to the validity of a patent. But in striking the

for-cause removal protection for APJs, the Federal Circuit set aside Congress' system with independent APJs and substituted its own system in which policymakers would be able to influence the outcome of what are decisions of law. It is not that such a system is unthinkable, but it is plainly not the one that Congress created. Therefore, the Federal Circuit's attempt to solve the Appointments Clause problem by altering the independence of APJs was not a proper exercise of the severability power and should be overturned by this Court if it concludes that APJs are principal officers.

ARGUMENT

APJs ARE INFERIOR OFFICERS UNDER THE APPOINTMENTS CLAUSE.

The Appointments Clause, Article II, §2, provides as follows:

> [The President] shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

All parties agree that Congress sought to make APJs inferior officers and that they were duly appointed as such. The question presented is whether this Court should follow the Federal Circuit, reject the judgment of Congress, and conclude that APJs are principal officers who must be appointed by the President and confirmed by the Senate. Because the ruling of the Federal Circuit was in error, this Court should reverse.

In *Edmond v. United States*, 520 U.S. 651, 661 (1997), this Court observed that "Our cases have not set forth an exclusive criterion for distinguishing between principal and inferior officers for Appointments Clause purposes." Or as the Court observed in *Morrison v. Olson*, 487 U.S. 654, 671 (1988), "The line between 'inferior' and 'principal' officers is one that is far from clear, and the Framers provided little guidance into where it should be drawn. *See, e.g.*, 2 J. Story, Commentaries on the Constitution § 1536, pp. 397–398 (3d ed. 1858)." It is fair to say that the struggles that the judges of the Federal Circuit had in deciding the proper status of APJs demonstrate the uncertainty and complexity with the current approach to deciding this question. In amici's view, the text of the Appointments Clause provides a direct and readily administrable means of answering this question in most cases and will provide sure-footed guidance to Congress and, if needed, to the lower courts.

The text assigns to Congress the primary, although not exclusive, role for deciding whether an officer is inferior or principal. The Appointments Clause does not simply state that Congress may pass a law creating an inferior office. Rather, it expressly provides for a level of discretion on top of that already present in Article I, §8, cl. 18, which authorizes Congress to "make all Laws necessary and proper to carry into Execution" all powers under the Constitution. Under the Appointments Clause, except for officers expressly designated as principal officers, Congress may provide for an alternative method of appointment "for such inferior Officers, as they think proper." Given this broad discretionary power, the courts should presume that a congressional determination "as they think proper" of inferior officer status is constitutionally correct, and the courts should do no more than verify that the duties of the office are not plainly inconsistent with that status. If that test is applied to APJs, the presumption holds because Congress was more than reasonable in its determination that they are inferior officers.

The Rationale for Deference to Congress

The Appointments Clause is an example of an important check built into the Constitution. As a limit on executive power, the Framers required the Senate's approval for the appointment of principal officers in the executive branch so that the President alone could not choose them. As

such, the provision creates an important check on the executive branch, much the way that the President's veto gives the President a check on Congress' power to enact laws.

The Framers also created a means by which the default option of the President plus the Senate could be avoided if that process became too burdensome and the office to be filled was of lesser importance. That alternative is the passage by Congress of a law creating an inferior office and then providing for appointments to it to be vested "in the President alone, in the Courts of Law, or in the Heads of Departments." This exception to the advice and consent check is significant for several reasons that support amici's focus on the role of Congress in designating inferior officers.

First, the exception requires the enactment of a law, which requires the agreement of both Houses and the President. No other method for creating inferior officers is permitted, which means that neither House of Congress nor the President may establish an inferior office on their own, nor choose the method of appointment. Second, creating an exception requires the Senate to surrender its ability to affect the appointments to that office, which it is unlikely to do if the officer exercises significant executive branch functions, and the Senate wishes to exercise some influence over who will carry them out. Third, the President must also surrender some of his powers if the appointment will be made by the courts of law or a Department Head, and he is also unlikely to do

that if the appointee will have major executive branch responsibilities. Finally, the House must concur to be sure that the Senate is not abdicating its responsibilities with respect to an important office because the Senators would prefer to spend their time on other matters. *See Weiss v. United States*, 510 U.S. 163, 188 (1994) ("no branch may abdicate its Appointment Clause duties") (Souter, J., concurring). These are not, to be sure, perfect checks, but they go a long way toward providing basic assurances that the power to create exceptions to the method of appointments of principal offices is not abused. For these reasons, when Congress does what it did for APJs—explicitly create their positions as inferior offices—the agreement of the House, the Senate, and the President to do so is strong evidence that the Appointments Clause has been satisfied.

This idea of placing significant emphasis on the decision of Congress "as they think proper" to create an exception to the default position of the President plus the Senate is not original with amici. When the late Justice Ruth Bader Ginsburg was on the D.C. Circuit, she dissented in *In re Sealed Case*, 838 F.2d 476 (D.C. Cir. 1988), in which the court of appeals sustained a challenge to the constitutionality of the Independent Counsel Act, but was reversed by this Court in *Morrison v. Olson*, 487 U.S. 654 (1988). In her dissent, then-Judge Ginsburg recognized the difficulty of answering the principal officer question in that case and in the myriad of other situations in which it will arise. As she observed,

> Because the founding fathers did not settle the question, I regard the matter as one on which Congress' judgment is owed a large measure of respect—deference of the kind courts accord to myriad constitutional judgments Congress makes, for example, most judgments about what classifications are compatible with the command that all persons shall enjoy 'the equal protection of the laws.' U.S. Const. amend XIV §1.

838 F.2d at 532. The deference to the legislature when equal protection challenges are raised (even where there is no comparable language to "as they think proper") has been justified for reasons similar to those advanced for applying deference here: "The presumption of constitutionality and the approval given 'rational' classifications in other types of enactments are based on an assumption that the institutions of state government are structured so as to represent fairly all the people. However, when the challenge to the statute is in effect a challenge of this basic assumption, the assumption can no longer serve as the basis for presuming constitutionality." *Kramer v. Union Free School District No. 15*, 395 U.S. 621, 628 (1969) (footnote omitted).

Judge Ginsburg's dissent also noted that the question "concerns the legitimacy of a classification made by Congress pursuant to its constitutionally-assigned role in vesting appointment authority. That constitutional assignment to Congress

counsels judicial deference." 838 F.2d at 532. Recognizing that Congress' intent to create an inferior office is not "dispositive," Judge Ginsburg would have sustained the principal officer designation because the proper category of an independent counsel "is fairly debatable," and the contrary arguments there were "insufficiently compelling to justify upsetting Congress' considered judgment on the matter." *Id.*

Justice David Souter in his concurring opinion in *Weiss*, *supra*, also found the question of whether the military appellate judges there were principal or inferior officers to be a difficult one. In the end he agreed with the approach of Judge Ginsburg in the Independent Counsel case, and because "neither Congress nor the President thought military judges were principal officers, and since in the presence of doubt deference to the political branches' judgment is appropriate, I conclude that military judges are inferior officers for purposes of the Appointments Clause." 510 U.S. at 194.

Justice Stephen Breyer in *Lucia v. Securities & Exchange Commission*, 138 S. Ct. 2044 (2018), dissented because he would have decided whether the ALJs whose status was at issue there should have been decided on statutory, not constitutional grounds. But in the course of addressing the constitutional issues, he focused on the requirement that inferior officers be designated "by law" which he considered to be "highly relevant" although "Congress' leeway is not, of course,

absolute." *Id.* at 2062. Thus, in deciding questions such as this, he concluded that the Court "should give substantial weight to Congress' decision," *id.*, because the Clause provides Congress with "constitutional leeway." *Id.* at 2063.[5]

Other Justices have expressed similar sentiments regarding deference to the political branches, where they are in agreement on the status of the officer as they are here:

> Where a private citizen challenges action of the Government on grounds unrelated to separation of powers, harmonious functioning of the system demands that we ordinarily give some deference, or a presumption of validity, to the actions of the political branches in what is agreed, between themselves at least, to be within their respective spheres. *But where the issue pertains to separation of powers, and the political branches are (as here) in disagreement, neither can be presumed correct.*

Morrison, *supra*, 487 U.S. at 704-05 (Scalia, J. dissenting) (emphasis added). In this case, both Congress and the President agree that APJs are inferior officers, thereby strengthening the presumption. *See also Ex Parte Siebold*, 100 U.S.

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[5] This Court has recognized at least one situation in which the judgment of Congress might be overridden: inappropriate interbranch appointments of inferior officers. *Morrison,* 487 U.S. at 675.

371, 397-98 (1879) ("But as the Constitution stands, the selection of the appointing power, as between the functionaries named, is a matter resting in the discretion of Congress. And, looking at the subject in a practical light, it is perhaps better that it should rest there, than that the country should be harassed by the endless controversies to which a more specific direction on this subject might have given rise.").

Second, the deference given to Congress is neither "dispositive," *Sealed Case*, 838 F.2d at 532, nor "absolute," *Lucia*, 138 S. Ct. at 2062. However, it is only in those rare cases, where the officer has very significant policy-making duties, that the Court should not defer to Congress' judgment regarding an inferior officer. In this case, there is no aspect of the duties assigned to APJs that would suggest that they are principal officers.

They have relatively small roles in the PTAB that is headed by the Director, that has three other statutorily designated officers (who are not appointed as principal officers), and that (at last count) has 266 APJs. APJs do not supervise anyone (except perhaps law clerks or clerical staff), and they have no policymaking roles. Regulations regarding inter partes review are issued by the Director, and they are entirely procedural or administrative. See 35 U.S.C. §§ 1(a), 316. Individual APJs have no law enforcement powers, nor any ability to investigate a matter or commence a proceeding. Their responsibility is to apply the

laws governing novelty and nonobviousness to the facts that the parties develop and to render an opinion on whether the particular patent under review meets the applicable legal standards. In sum, none of the duties of APJs resemble those at the core of executive branch functions identified in cases such as *Morrison*, *supra*.

It is true that no executive branch official has the power to review the outcome of a specific inter partes proceeding, but it is not clear why that fact should be dispositive. The losing party in an inter partes proceeding has a right to take an appeal to the Federal Circuit. In such an appeal, the court will review the legal determinations rendered by APJs de novo. In addition, no individual APJ can make a final decision because all PTAB cases are decided by panels of at least three APJs. 35 U.S.C. § 6(c). Thus, an individual APJ must persuade at least one other APJ on the merits, and the collective determination of the panel is likely to be appealed given the high stakes in most patent disputes.

This Court in *Edmond* upheld the inferior officer status of the civilian judges of the Coast Guard Court of Military Review. The only substantive review of the decisions of that court was in the United States Court of Appeals for the Armed Forces, which by statute is situated in the Department of Defense. 10 U.S.C. § 941. Congress decided that the judges of that Court should be appointed by the President and confirmed by the

Senate for 15-year terms, thus eliminating any argument about their status. But, with limited exceptions, review in that Court, which can come from any of the four courts of military review, is discretionary, 10 U.S.C. § 867(a), and in 2019, that Court reviewed 425 petitions and granted only 52 or 12.2%.[6] Nothing in the Constitution requires that further review of a decision by an inferior office be in the executive branch, and the availability of an Article III court as of right would seem to most observers to be much more meaningful supervision of the decisions by a panel of APJs than a one in eight chance of review by a further court in the military justice system. Or at least Congress could reasonably so conclude.[7]

No decision of this Court involving the inferior officer status of individuals performing duties comparable to APJs is to the contrary. All this Court's prior cases involving various officers

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[6] https://www.armfor.uscourts.gov/annual/FY19AnnualReport.pdf, p. 8.

[7] If there were an absolute requirement that a principal officer in the executive branch must review every adjudication of an inferior officer, then the statute upheld in *Crowell v. Benson*, 285 U.S. 22 (1932), would be unconstitutional because the Deputy Commissioner who made the final agency decision there was an inferior officer. Although there were many constitutional challenges raised in *Crowell*, they did not include one under the Appointments Clause. The same problem appears to exist today under the Longshoremen's and Harbor Workers' Compensation Act, 33 U.S.C. §§ 919, 921, 939, & 940.

performing adjudicative functions would be decided the same way under the test of a strong presumption in favor of the correctness of Congress's determination advocated by amici. Thus, the statute at issue in *Edmond*, 10 U.S.C. § 866(a), expressly provided for the creation of the court of military review on which the inferior officers sat, thereby triggering the presumption. Although that statute did not expressly provide for appointment by the Secretary of Transportation, the Head of the relevant Department, this Court had no difficulty in finding that the statute authorizing the Secretary to appoint officers in the Department included the power to appoint those appellate judges. 520 U.S. at 658.[8]

Applying the test proposed by amici would not alter the result in *Freytag v. Commissioner*, 501 U.S. 868 (1991). The principal question there was whether the Tax Court was a "court of law" or a "Department" within the meaning of the Appointments Clause, after this Court concluded that the special trial judges were officers, not employees.[9] Their appointment by the Tax Court was expressly provided for by a law passed by Congress, *id.* at 870, thereby satisfying amici's

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[8] In future cases, Congress would be advised to include the method of appointment in the law creating the office, as it did for APJs.

[9] *Lucia* relied on *Freytag* to reach the conclusion that the ALJs there were inferior officers, not employees. Because all ALJ decisions there were reviewable by the SEC, there was no argument that they were principal officers.

primary test. Congress also specified four specific categories of cases that special trial judges could hear, and for three of them, this Court observed that they are authorized "not only to hear and report on a case but also to decide it. § 7443A(c)." *Id.* at 873. In the fourth category, they are only permitted "to hear the case and prepare proposed findings and an opinion. The actual decision then is rendered by a regular judge of the Tax Court." *Id.* Decisions in those three categories are reviewable in the courts of appeals, but not by any Tax Court Judge or any other non-Article III officer. However, if, as the Federal Circuit implied, the Constitution required that a principal officer in the executive branch have the power to review every decision of an inferior officer, then special trial judges would not be inferior officers.

The result in *Morrison*, *supra*, would also be unchanged under amici's analysis. However, the part of the opinion that ruled that the Independent Counsel was an inferior officer would become much simpler. Congress had clearly provided for the appointment of independent counsels by one of the alternatives provided in the Appointment Clause, so that amici's presumption would apply. Independent counsels were not named in the Appointments Clause as persons who must be appointed as principal officers, nor were their functions so obviously significant that Congress was barred from treating them as inferior officers. And while independent counsels performed

traditional executive branch functions (unlike APJs), the scope and direction of their authority was limited by the Attorney General and the court that appointed them, and they were supervised to a greater or lesser extent by both. Because there was nothing else about their duties that required them to be treated as principal officers, the presumption in favor of accepting Congress's judgment that the office was an inferior office would not have been overcome.

The Test Used by the Federal Circuit Is Unclear and Unworkable

Amici are not proposing that this Court abandon a well-established test for drawing the line between principal and inferior officers. Indeed, the Federal Circuit's treatment of the issue illustrates the lack of a clear and administrable test for answering the question, which may in part be due to the different contexts in which the question has recently arisen. Moreover, the Federal Circuit's three factor approach, Pet. App. in 14-1434 at 9a, in which it looked at a variety of facts regarding the duties of the officer in question and the relationship between the officer and others at the agency, and then sought to combine them in a holistic way to reach a conclusion, is unsatisfactory for several reasons.

First, it requires courts to balance a variety of factors, such as the extent to which specific decisions of the officer are reviewable; what other

means of control other officers have over the officer in question and how significant are they; who can remove the officer from federal service and/or alter the duties and benefits of the office, and under what standard; and any other factor that a court may decide is relevant. Pet. App. in 19-1434 at 9a-21a. And if that balancing is to take place, the court must decide how much weight to ascribe to each factor and how to determine that weight. The Federal Circuit appears to have followed that approach, but it is far from clear how it determined either which factors cut in which direction or how much each counted in its ultimate judgment. Although the United States differs with the Federal Circuit on how to apply the factors that the Circuit Court relied on, it supports a similar amorphous approach that depends on "the cumulative effect" of these factors, U.S. Br. 13,15, 20, & 33, under which an officer is inferior if there is "some level of direction and supervision by a superior." *Id.* at 20.

This approach is reminiscent of how Justice Antonin Scalia described the concurring opinion of Justice William Brennan, in a personal jurisdiction Due Process case, *Burnham v. Superior Court of California*, 495 U.S. 604, 626 (1990):

> [Because] Justice BRENNAN's approval of applying the in-state service rule in the present case rests on the presence of *all* the factors he lists, and on the absence of any others, every different case will present a

> different litigable issue. Thus, despite the fact that he manages to work the word "rule" into his formulation, Justice BRENNAN's approach does not establish a rule of law at all, but only a "totality of the circumstances" test, guaranteeing what traditional territorial rules of jurisdiction were designed precisely to avoid: uncertainty and litigation over the preliminary issue of the forum's competence.

That kind of open-ended inquiry is entirely appropriate for Congress to make when deciding whether "they think proper" that a particular office should be an inferior office. It has no place, however, in a court which is expected to provide a reasoned explanation for its rulings so that Congress can know whether its designation of any office as inferior will be upheld in the courts.

Second, the apparent theory behind looking at a variety of factors is that Congress took them into account when it created the office and in deciding that it should be an inferior office. That approach might make sense if all the factors were known to Congress when it enacted the law because they were either part of the law creating the office or were found in laws previously enacted. However, many of the facts relied on by the Federal Circuit (and the parties arguing that APJs are inferior offices under the rationale used by the Federal Circuit) are not in any statutory law, but are the result of either rules issued by the Director or practices that have developed as the inter partes review process has evolved. Accordingly, the status

of an officer should be fixed by Congress at the time that the office is created, and agencies, through both formal and informal means, should not be able to alter that status.

Third, the importance of a clear test is not so much for the courts and litigants, although they would benefit from it. Rather, a clear rule would enable Congress to know what it must and must not do when it wishes to create an inferior office. Moreover, under the Government's very open-ended test, the agency for which the officer works can alter the facts on which the officer's status will be determined, as shown by its heavy reliance on standard operating procedures issued by the PTO. U.S. Br. 5-7, 28-32. As a result, there is no way for Congress to be certain that it has properly designated an office as inferior without changing the way in which the statute operates. But if the status of an office is determined only by the laws that Congress has enacted, and not based on subsequent conduct by the agency, then Congress will be much better able to determine whether it can, constitutionally, create an inferior office or whether it must provide that the officer be appointed by the President with the advice and consent of the Senate.

These cases illustrate why it is so important that Congress be able to make accurate predictions when it creates an office. These cases will be decided ten years after the AIA was passed, and if the APJs are held to be principal officers, thousands of cases may be overturned, not because of any unfairness in the way that the cases were

litigated, but because Congress guessed wrong in concluding that APJs are inferior officers. For this reason, it is essential that the test for inferior officers be clear and easy to apply by Congress, the courts, and the parties so that situations like this do not arise again. The test proposed by amici meets that standard; the test embraced by the Federal Circuit, and that urged by most of the parties to these cases, does not.

There is one further reason why the complicated test adopted below and advanced by the parties is ill-advised. This will not be the last case involving the status of individuals who perform adjudicative functions at federal agencies. Those include the Social Security Administration and the Department of Justice (immigration), whose officers perform quite different functions than APJs and have very different levels of supervision. In addition, the ability of the agency head or others to alter the manner in which those individuals carry out their duties and are subject to active supervision would mean that there might never be a definitive answer to the status of those and countless other agency adjudicators if the totality of the circumstances approach were followed. Adoption of the straightforward and readily administrable test proposed by amici would avoid these difficulties.

For all of these reasons, the Court should conclude that, giving Congress the appropriate deference for its conclusion that "they think [it is] proper" for APJs to be inferior officers, and lacking any reason to believe that Congress's judgment

was erroneous regarding ALPs was improper, the decision of the Federal Circuit should be reversed.

THE REMEDY IMPOSED BY THE FEDERAL CIRCUIT IS NOT AUTHORIZED BY LAW

If the Court nonetheless concludes that APJs are principal officers, it should reject the remedy imposed by the Federal Circuit, which makes APJs removable at will, but does not change their method of appointment. Regardless of the remedy chosen, the judgment of the Federal Circuit—that the appeals of these parties whose cases were decided by APJs who were not constitutionally appointed—would still stand because the remedy is prospective only. In theory, the Court could decline to address the remedy issue because it does not alter the judgments below. However, if it does, the decisions in other cases decided by APJs after the Federal Circuit imposed its remedy would engender a new round of litigation. In those cases, parties would argue, as do amici, that the Federal Circuit's remedy is not authorized by law, and, therefore, decisions by improperly appointed by APJs would also have to be set aside. Accordingly, the Court should decide the remedy question in these cases.

The Federal Circuit's reliance on *Free Enterprise Fund v. Public Co. Accounting Oversight Bd.*, 561 U.S. 477 (2010), for its remedy is misplaced. Although the plaintiffs argued that the Board members at issue were principal officers,

the Court did not decide that question. Nor would plaintiffs have likely succeeded because Congress expressly provided for very significant supervision of the Board's work by the SEC. *See* 15 U.S.C. § 7217. Rather, the Court found an independent constitutional violation based on the Board's "multilevel protection from removal," and struck that second protection as the proper means to cure the violation. 561 U.S. at 484. For that reason, the Federal Circuit erred in relying on *Free Enterprise*.

There are two independent reasons why the remedy is unlawful, either one being sufficient to reject it. First, and most significantly, the Appointments Clause requires that principal officers be appointed by the President with the advice and consent of the Senate. The Federal Circuit's effort to solve the appointment problem fails because the Appointments Clause does not include removal at will as a substitute for Presidential appointment and Senate confirmation for a principal office.

The Federal Circuit's "cure" also creates an anomaly at the PTO because other inferior officers are not removable at will. Indeed, it is principal not inferior officers who traditionally serve at the pleasure of the president, further demonstrating why the Federal Circuit's remedy has it precisely backwards.[10]

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[10] Amici take no position on whether, absent a statute, the President and the Senate alone could cure the problem prospectively by having the President appoint and the Senate confirm APJs going forward, which is a different question

In this connection, amici note that the United States, which in this case means the Department of Justice on behalf of the executive branch, did not include the legality of the remedy as one of its questions presented, but instead suggested that "the court's choice of remedy mitigates the harm that the merits decision might otherwise have inflicted" U.S. Pet at 15.[11] That assertion suggests that the problem found by the Federal Circuit was loss of power by the President, rather than a failure to assure that APJs were appointed by the full process set forth in the Appointments Clause. Moreover, the "mitigation" view must be seen in light of the goal of this Administration to declare unconstitutional the limits on removals of many principal and inferior officers. It succeeded in convincing this Court to strike down such a restriction in *Seila Law, LLC v. Consumer Financial Protection Bureau*, 140 S. Ct. 2183 (2020), and it tried to do so for the ALJs in *Lucia*, but this Court refused to decide that question. 138 S. Ct. at 2050, n. 1. Accordingly, the self-interest of this Administration in eliminating all restrictions on the removal of officers, with no analysis of how that constitutes a proper Appointments Clause remedy, should be seen for what it is and disregarded by the Court on this issue.

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from whether altering the bases on which APJs can be removed from office solves the problem of an unconstitutional appointment.

[11] Petitioner Arthrex, Inc. agrees with amici that the Federal Circuit's remedy was improper. Pet. in 19-1458 at 25-33.

The theory that the Federal Circuit used to impose its remedy was that of severability: the courts should try to sever the unconstitutional part of an unconstitutional law and then decide whether Congress would have preferred to have the law without the severed portion or no law at all. In most cases, as in *Seila Law*, the Court opts for saving as much of the law as it can in lieu of voiding the entire law. *See Barr v. American Ass'n of Political Consultants, Inc.*, 140 S. Ct. 2335, 2349-54 (2020). There are, however, very significant problems in applying that approach to the unconstitutionality of treating APJs as inferior officers.

The first error in employing a severability analysis here is that this is not, as in most cases, a situation where a provision of the law that is unconstitutional can be disregarded and still leave Congress' plan in place. The problem is not what is in the AIA, but what is not in it. If APJs are principal officers, then eliminating their current method of appointment will not cure the problem: that can only be solved by adding a requirement that APJs be appointed by the President and confirmed by the Senate, or by adding another layer of principal officers who would review APJ decisions. Both of those remedies require congressional addition, not judicial subtraction.

Second, the removal restrictions are not part of the AIA or for that matter any statute governing the operation of the PTO or even the Department of Commerce as a whole. They are included in the statute applicable to federal employees in most

agencies, 5 U.S.C. § 7513(a) Thus, if the decision applies only to APJs, the Federal Circuit will have created very significant differences in protection for APJs than for comparable employees in other agencies, which should counsel against the Federal Circuit's remedy.

Third, Congress created a careful structure for adjudicating inter partes cases, with independent APJs as the deciders of legal issues of novelty and nonobviousness. The Federal Circuit has replaced the centerpiece of this system with APJs who will now be looking over their shoulders to be sure that they decide cases in a way that they will not be fired for their decisions. Perhaps that system might be acceptable to Congress and consistent with the Constitution, but it is surely a very different one than Congress created in the AIA. Or as this Court put it regarding the statute that Congress enacted in *Wiener v. United States*, 357 U.S. 349, 356 (1958), "a fortiori it must be inferred that Congress did not wish to have hang over the Commission the Damocles' sword of removal by the President for no reason other than that he preferred to have on that Commission men of his own choosing" (cleaned up).

Fourth, APJs decide other kinds of cases before the PTO with the same or similar procedures as used for inter partes review. Congress also provided in the AIA for a similar process, with somewhat different rules on timing, availability, and legal issues subject to review—the post-grant review process. 35 U.S.C. §§ 321 *et seq*. In addition, those same APJs also sit on ex parte

appeals from denials of patent applications, as well as inter partes reexaminations, which may not require a principal officer to conduct them. Yet all of these proceedings will be affected by the Federal Circuit's remedy.

The Federal Circuit misunderstood its role and the basics of the doctrine of severability. The doctrine allows courts to sever a portion of an unconstitutional law, but no case allows a court to strike down an unrelated law as the Federal Circuit did here. Moreover, "a court cannot rewrite a statute and give it an effect altogether different from that sought by the measure as a whole." *Murphy v. NCAA*, 138 S. Ct. 1461, 1482 (2018). That is the job for Congress, especially where, as here, it is highly doubtful that the remedy solves the constitutional flaw, and there are so many reasons that suggest that the remedy that the Federal Circuit imposed was not one that Congress would have selected.

CONCLUSION

For the foregoing reasons, the Court should reverse the judgment of the Federal Circuit and hold that APJs are inferior Officers under the Appointments Clause. However, if the Court concludes that APJs are principal officers, it should hold that the Federal Circuit erred in concluding that the violation of the Appointments Clause could be remedied by excising the existing for-cause limitation on the removal of APJs and instead of leaving the resolution of the violation to Congress.

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APPENDIX

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