No.

IN THE

Supreme Court of the United States

MICRON TECHNOLOGY, INC.,
Petitioner,

v.

NORTH STAR INNOVATIONS, INC.,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

Jared Bobrow
Jeremy Jason Lang
ORRICK, HERRINGTON & SUTCLIFFE LLP
1000 Marsh Road
Menlo Park, CA 94025
(650) 614-7400

Melanie L. Bostwick
Counsel of Record
ORRICK, HERRINGTON & SUTCLIFFE LLP
1152 15th Street NW
Washington, DC 20005
(202) 339-8400
mbostwick@orrick.com

Counsel for Petitioner

QUESTIONS PRESENTED

1. Whether, for purposes of the Appointments Clause, U.S. Const. art. II, § 2, cl. 2, administrative patent judges of the U.S. Patent and Trademark Office are principal officers who must be appointed by the President with the Senate's advice and consent, or "inferior Officers" whose appointment Congress has permissibly appointed in a department head.

2. Whether the court of appeals erred by allowing a patent owner that did not present an Appointments Clause challenge to the agency, and that acquiesced in the appointment of the same administrative patent judges in a related matter, to nonetheless present such challenges on appeal.

PARTIES TO THE PROCEEDING BELOW

Micron Technology, Inc., was the appellee in the court of appeals.

North Star Innovations, Inc., was the appellant in the court of appeals.

Andrei Iancu, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, was the intervenor in the court of appeals.

CORPORATE DISCLOSURE STATEMENT

Petitioner Micron Technology, Inc. has no parent corporation, and no publicly held company owns 10% or more of its stock.

RELATED PROCEEDINGS

North Star Innovations, Inc. v. Micron Technology, Inc., Nos. 20-1295, -1296 (Fed. Cir.) (dispositive order entered Mar. 30, 2020; order denying rehearing entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., No. 20-1297 (Fed. Cir.) (dispositive order entered Mar. 30, 2020; order denying rehearing entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., Nos. 20-1298, -1299 (Fed. Cir.) (dispositive order entered Mar. 30, 2020; order denying rehearing entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., No. 17-cv-506 (D. Del.) (pending)

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INTRODUCTION

Micron Technology, Inc., respectfully petitions for a writ of certiorari to review the decision by the United States Court of Appeals for the Federal Circuit in three sets of consolidated appeals. These appeals stem from decisions issued by the Patent Trial and Appeal Board, which determined in inter partes review proceedings that all challenged claims of three patents owned by North Star Innovations, Inc., were unpatentable. The Federal Circuit vacated and remanded each of those decisions in view of its holding in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), that the administrative patent judges who serve on the Board were unconstitutionally appointed at the time the decisions were issued.

This Court has now granted certiorari to review the holding of *Arthrex*, thereby calling into question the sole basis for the remand orders challenged by this petition. Micron respectfully requests that the Court hold this petition and dispose of it as appropriate in light of this Court's ultimate determination in *Arthrex*. If the Court determines that there was no constitutional defect with the appointments of the administrative patent judges, this Court should grant Micron's petition, vacate the Federal Circuit's remand orders, and remand to the Federal Circuit to allow North Star's appeals to proceed on the merits. If the Court agrees with the Federal Circuit that the judges were appointed in violation of the Constitution, it should grant certiorari to consider the second question presented in this petition—whether a party (like North Star) may raise a constitutional objection for the first time on appeal when it has not presented

that objection to the agency and there is no basis to excuse the forfeiture.

OPINIONS AND ORDERS BELOW

The Federal Circuit's order granting Respondent's motion to remand to the Patent Trial and Appeal Board is not reported and is reproduced at Pet. App. 1a-3a. The Federal Circuit's denial of rehearing en banc is not reported and is reproduced at Pet. App. 4a-9a.

JURISDICTION

The Federal Circuit entered its remand order on March 30, 2020. Pet. App. 3a. It denied Micron's timely petition for rehearing on June 16, 2020. Pet. App. 4a-9a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISION INVOLVED

The United States Constitution provides, in relevant part: "He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he 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." U.S. Const. art. II, § 2, cl. 2.

STATEMENT OF THE CASE

North Star Participates In The Inter Partes Review Proceedings Initiated By Micron Without Raising A Constitutional Objection.

Respondent North Star Innovations, Inc., is the owner by assignment of the three patents at issue in the appeals encompassed by this Petition and a fourth patent at issue in a related appeal that remains pending before the Federal Circuit. North Star asserted these four patents against Micron in infringement litigation that remains pending and stayed in the District of Delaware. Micron, in turn, sought inter partes review of several claims of each of the four patents, filing a total of six petitions with the Patent Trial and Appeal Board.

The Board is an administrative tribunal within the United States Patent and Trademark Office (PTO) that conducts several types of patent-related adjudicative proceedings, including, as relevant here, inter partes review proceedings under 35 U.S.C. § 311. *See* 35 U.S.C. § 6(b)(4). By statute, the Board consists of certain specified PTO officials as well as a number of administrative patent judges who are appointed by the Secretary of Commerce in consultation with the PTO Director. *See id.* § 6(a).

The Board instituted review on each of Micron's petitions and, in a series of six final written decisions, determined that nearly all of North Star's challenged

patent claims were unpatentable in light of the prior art identified by Micron. In two final written decisions issued on October 22, 2019, a three-judge panel of the Board held the challenged claims of U.S. Patent No. 6,127,875 ("the '875 patent") unpatentable. On the same day, the same three-judge panel issued a final written decision holding 17 challenged claims of U.S. Patent No. 5,943,274 ("the '274 patent") unpatentable, while holding that Micron had not demonstrated the unpatentability of 2 other challenged claims. Two days later, on October 24, 2019, the same three-judge panel issued a final written decision holding the challenged claims of U.S. Patent No. 6,465,743 ("the '743 patent") unpatentable. That same day, a three-judge panel including two of the same judges as the '875, '274, and '743 patent panels issued two final written decisions holding the challenged claims of U.S. Patent No. 7,171,526 ("the '526 patent") unpatentable. *See* C.A. Micron Opp'n at 3-4, ECF No. 17.[1]

North Star did not challenge the constitutionality of any aspect of these proceedings before the Board. It did not object to the appointment of any of the four administrative patent judges who participated in issuing the six final written decisions.

The week after the Board issued all of its decisions in these proceedings, the Federal Circuit determined that the Board's administrative patent judges are "principal officers" under the Constitution and, because those judges are neither appointed by the

[1] C.A. citations refer to filings in Fed. Cir. No. 20-1295. The parties submitted substantively identical filings in Fed. Cir. Nos. 20-1297 and 20-1298.

President nor confirmed by the Senate, "the current structure of the Board violates the Appointments Clause." *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1335 (Fed. Cir. 2019). In order to cure the purported constitutional defect, the court of appeals severed the provisions of 5 U.S.C. § 7513(a) as applied to the administrative patent judges, prospectively rendering them inferior officers. 941 F.3d at 1335-38. Finally, as a remedy for Arthrex and similarly situated patent owners whose cases had been decided by the formerly unconstitutional judges, the court of appeals vacated the decision of the Board in that case and remanded for rehearing before a new panel of now-constitutional judges. *Id.* at 1338-40.

The Federal Circuit's *Arthrex* decision issued on October 31, 2019. At that time, North Star was still well within the 30-day period in which it could have sought rehearing following the Board's final written decisions. *See* 37 C.F.R. § 42.71(d)(2). North Star could have sought rehearing by a new panel of administrative judges that would, at that time, have been constitutionally sound under the *Arthrex* "cure." C.A. PTO Opp'n at 5, ECF No. 22. North Star likewise could have pursued alternative procedures, such as a petition to the Director to exercise his authority under 35 U.S.C. § 6(c) to designate panels. *See* 37 C.F.R. § 1.181(a)(3).

North Star failed to pursue any of these options. It did not raise a constitutional objection while these cases were before the Board, either before or after the *Arthrex* ruling.

North Star Raises Its Constitutional Objection For The First Time On Appeal—And Only In The Proceedings Where It Lost Completely.

Nearly two months after the *Arthrex* ruling, North Star filed notices of appeal to the Federal Circuit challenging the Board's decisions regarding the '875, '743, and '526 patents. *See* Fed. Cir. Nos. 20-1295, 20-1296, 20-1297, 20-1298, 20-1299. In its appellate docketing statements, North Star for the first time hinted at a constitutional objection, indicating its intent to seek "[r]emand of proceeding under Arthrex." C.A. North Star Docketing Statement at 1, ECF No. 6. North Star then filed motions asking the Federal Circuit to remand those four appeals for rehearing by a new panel of administrative patent judges, citing the *Arthrex* decision that deemed the judges unconstitutionally appointed at the time the Board issued its decisions in these matters. C.A. North Star Mot., ECF No. 14. Micron opposed North Star's remand motions, as did PTO Director Andrei Iancu, who intervened in the appeals. C.A. Micron Opp'n, ECF No. 17; C.A. PTO Opp'n, ECF No. 22.

Micron, meanwhile, had filed a notice of appeal challenging the portion of the Board's decision on the '274 patent that upheld the patentability of two of North Star's claims. *See* Fed. Cir. No. 20-1303. North Star subsequently filed a notice of cross-appeal, challenging the portion of the Board's decision that eliminated other claims of the '274 patent. *See* Fed. Cir. No. 20-1402. Even though the Board's decision as to the '274 patent was issued by the same judges and during the same relevant time period as the Board's other rulings in these matters, North Star did not seek

remand of the '274 patent appeals and did not raise an Appointments Clause challenge in these appeals. The '274 patent appeals have been consolidated and remain pending on the merits before the Federal Circuit.

***The Court Of Appeals Remands These Proceedings To The Patent Trial And Appeal Board In Light Of Its Ruling In* Arthrex.**

Over Micron's and the PTO's objection, the Federal Circuit granted North Star's motions and remanded the '875, '743, and '526 patent proceedings to the Board. Pet. App. 1a-3a. It did so in a one-paragraph order that identified no basis to excuse either (1) North Star's forfeiture of its constitutional objection before the agency or (2) North Star's forfeiture of that objection on appeal through its acquiescence in the appointment of the administrative patent judges with respect to the '274 patent proceeding. Micron sought en banc rehearing of the remand order based on this double forfeiture. C.A. Micron Reh'g Pet., ECF No. 31. Micron also noted its disagreement with the Federal Circuit's *Arthrex* ruling but recognized that the appellate court's denial of en banc rehearing in that case precluded further challenges to the issue at that level. *Id*. at 8.

This Court has now granted certiorari to review the *Arthrex* decision. *See Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 19-1458. Specifically, the Court has determined to review (1) whether the PTO's administrative patent judges are principal officers for purposes of the Appointments Clause and, (2) if so, whether the Federal Circuit's remedy of severing the

application of 5 U.S.C. § 7513(a) to those judges properly cured any constitutional defect. *See* Mem. for the United States at 6-7, *Arthrex*, No. 19-1458 (July 22, 2020). This Court declined, however, to review the Federal Circuit's decision to review the Appointments Clause challenge in *Arthrex* notwithstanding the patent owner's failure to present that challenge to the PTO in the first instance. *See id.* at 7.

The United States has filed an additional petition for certiorari seeking review of numerous appeals in which the Federal Circuit, relying on its *Arthrex* ruling, had vacated and remanded the Board's decisions. *See* Pet. of United States for a Writ of Certiorari at 26, *Iancu v. Luoma*, No. 20-74 (July 23, 2020). The government's petition included the North Star appeals encompassed by Micron's present petition. *See id.* at 13 (identifying Federal Circuit Case Nos. 20-1295, 20-1296, 20-1297, 20-1298, and 20-1299 as proceedings subject to the omnibus petition). Recognizing that each of the Federal Circuit's challenged remand orders would be affected by this Court's resolution of the questions presented in *Arthrex*, the government asked this Court to hold its omnibus petition in No. 20-74 pending its disposition of proceedings in No. 19-1434. *See id.* at 26-27. Micron filed a brief in support of the government's petition, agreeing with the government's request to defer review of the affected North Star matters pending the resolution of the constitutional, procedural, and remedial questions raised in *Arthrex*. *See* Micron Br. in Supp. of Pet. at 3, No. 20-74 (Aug. 26, 2020).

Micron now files this petition in its own right seeking certiorari review of the Federal Circuit's decision to vacate and remand North Star's appeals.

REASONS FOR GRANTING THE WRIT

This Court should hold the present petition pending its resolution of the proceedings in *Arthrex*, No. 19-1434, and then dispose of this petition as appropriate in light of the Court's decision in that case.

The Federal Circuit's order vacating and remanding the Board's final written decisions regarding North Star's '875, '743, and '526 patents was based entirely on that court's ruling in *Arthrex* that the administrative patent judges had been unconstitutionally appointed at the time those decisions issued. Pet. App. 3a. That ruling was erroneous. As the United States and various private parties have demonstrated, the administrative patent judges were inferior officers under this Court's precedent even before the Federal Circuit's *Arthrex* "cure" made them removable at will. *See, e.g.*, Pet. of United States for a Writ of Certiorari at 16-26, *United States v. Arthrex, Inc.*, No. 19-1434 (June 25, 2020).

If this Court ultimately agrees with the government and overturns the Federal Circuit's ruling regarding the application of the Appointments Clause to the administrative patent judges, then the Federal Circuit's remand orders in North Star's appeals must be overturned as well, because the supposed constitutional defect was the sole basis for the remand. Pet. App. 3a. Therefore, in the event this Court upholds the constitutionality of the judges' appointments,

Micron respectfully requests that the Court grant this petition, vacate the Federal Circuit's order remanding the '875, '743, and '526 patent proceedings to the Board, and remand to the Federal Circuit to allow North Star's appeals concerning those patents to go forward on the merits.

Even if the Court ultimately agrees with the Federal Circuit's determination that the administrative patent judges are principal officers, patent owners like North Star should not be entitled to take advantage of that ruling. Like *Arthrex* itself, this case presents the question whether a party can raise an Appointments Clause challenge on appeal when it did not present that challenge to the agency. But this case involves an even clearer forfeiture of the constitutional question and, unlike *Arthrex*, no possible basis to excuse that forfeiture.

This Court has emphasized that "orderly procedure and good administration require that objections to the proceedings of an administrative agency be made while it has opportunity for correction in order to raise issues reviewable by the courts." *United States v. L.A. Tucker Truck Lines, Inc.*, 344 U.S. 33, 37 (1952). Thus, "as a general rule," courts will not overturn agency decisions "unless the administrative body not only has erred but has erred against objection made at the time appropriate under its practice." *Id.*; *see also, e.g.*, *Woodford v. Ngo*, 548 U.S. 81, 90 (2006); *Hormel v. Helvering*, 312 U.S. 552, 556 (1941). Applying this general rule, the Federal Circuit has previously barred parties from challenging the appointment of agency decisionmakers if that challenge

is raised for the first time on appeal. *See In re DBC*, 545 F.3d 1373, 1377 (Fed. Cir. 2008).

In *Arthrex*, the Federal Circuit excused the patent owner's forfeiture and distinguished its *DBC* precedent, reasoning that "the Board could not have corrected the [Appointments Clause] problem" even if the patent owner had raised its challenge before the agency. 941 F.3d at 1327; *see also id.* at 1340 ("the Board had no authority to provide any meaningful relief" and it would have been "futile for Arthrex to have raise[d] the challenge before the Board"). The Federal Circuit also relied on this Court's decision to excuse a similar forfeiture in *Freytag v. Commissioner*, 501 U.S. 868 (1991), explaining that the appointment of the administrative patent judges was an issue of such exceptional importance that it was appropriate for the court to address in its discretion. *Arthrex*, 941 F.3d at 1326-27.

Whatever the merits of that reasoning, neither rationale applies here. As explained above (at 5), North Star would not have needed to ask the Board to hold itself unconstitutional. The underlying inter partes review proceedings here were still pending before the agency when the Federal Circuit issued its *Arthrex* decision, including the statutory cure that prospectively rendered the administrative patent judges inferior officers. North Star had multiple options for seeking reconsideration of its patents by a new panel of now-constitutional judges. Neither request would have been futile, and North Star has not attempted to show otherwise. Nor was it exceptionally important for the Federal Circuit to address the constitutional challenge in North Star's appeals, since it had already

considered and resolved the precise Appointments Clause question at issue in the *Arthrex* case itself. There was no basis to excuse North Star's failure to present an Appointments Clause challenge to the agency. The Federal Circuit's apparent choice to do so—without articulating any reasoning—permits precisely the sort of "sandbagging" that the forfeiture rules are meant to prevent. *Freytag*, 501 U.S. at 895 (Scalia, J., concurring in part).

The Federal Circuit's *sub silentio* excusal of the forfeiture here is particularly problematic in light of North Star's conduct once its cases were on appeal. As explained above (at 6-7), North Star raised its Appointments Clause challenge and sought remand only in the cases where the Board had ruled entirely in Micron's favor. It did not raise that challenge, nor did it seek a remand, in the '274 patent proceeding, where the Board issued a mixed decision, upholding two of North Star's patent claims while finding the rest unpatentable. The final written decision regarding the '274 patent was issued by the exact same panel of administrative patent judges that decided the '875 and '743 patent proceedings. Two of those administrative patent judges were also on the panel that decided the '526 patent proceeding. And all of these administrative judges were appointed using the same procedure. If they were unconstitutional for purposes of some proceedings, they were unconstitutional for all. There is no just reason to allow North Star to press its constitutional objection in the proceedings it lost while acquiescing in the proceeding where the outcome was partially in its favor.

If it upholds the Federal Circuit's application of the Appointments Clause in *Arthrex*, this Court should grant certiorari here to resolve the important question of whether a party may pursue relief it has forfeited before the agency. This is true regardless of how the Court resolves the second question presented in the *Arthrex* case, regarding the sufficiency of the Federal Circuit's severance remedy. North Star has never argued that the Federal Circuit's cure for the supposed Appointments Clause problem was unlawful or ineffective. On the contrary, it expressly asked for its appeals to be remanded so that they could be reheard by judges subject to that cure. C.A. North Star Mot., ECF No. 14. Therefore, even if this Court holds that the administrative patent judges remain constitutionally suspect notwithstanding the remedy fashioned by the Federal Circuit, North Star should not be permitted to benefit from any such holding because it has waived any objection to that remedy.

CONCLUSION

The Court should hold this petition for a writ of certiorari and dispose of it as appropriate in light of any decision in *Arthrex*, No. 19-1434.

Respectfully submitted,

Jared Bobrow
Jeremy Jason Lang
ORRICK, HERRINGTON & SUTCLIFFE LLP
1000 Marsh Road
Menlo Park, CA 94025
(650) 614-7400

Melanie L. Bostwick
Counsel of Record
ORRICK, HERRINGTON & SUTCLIFFE LLP
1152 15th Street NW
Washington, DC 20005
(202) 339-8400
mbostwick@orrick.com

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