

No. 19-1434

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
JASON V. MORGAN AS *AMICUS CURIAE*
IN SUPPORT OF PETITIONER**

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INTEREST OF THE AMICUS CURIAE

*Amicus curiae*¹ (“*Amicus*”), a graduate from the University of Utah and the George Washington University Law School, has been involved in government service, either as a civil servant or as a government contractor, in the Washington, D.C., metropolitan area since 2002. He currently serves as an Administrative Patent Judge (“APJ”) on the Patent Trial and Appeal Board (“PTAB”) at the United States Patent and Trademark Office (“USPTO”). He also is actively involved in service in organizations such as The Pauline Newman IP American Inn of Court and the American Association of Patent Judges. But *Amicus* submits this brief in his personal, individual capacity to address matters of public concern. The opinions expressed herein are his own and do not represent the views of the United States government or any other person or organization. No government time or resources were used in the preparation of this brief.

The Appointments Clause issues presented in this case have far-reaching implications because they call “into question the appointments of hundreds of agency adjudicators across the Executive Branch.” Opening Brief for Smith & Nephew, Inc. and

¹ No counsel for any party authored this brief in whole or in part, nor did such counsel or party make a monetary contribution intended to fund the preparation or submission of the brief. No one other than the amicus curiae made a monetary contribution to the preparation or submission of this brief.

Arthrocare Corp. 20 (Nov. 25, 2020). Improperly applying the Appointments Clause could undermine public confidence in the ability of such adjudicators, not just APJs, to carry out their duties faithfully and impartially.

Amicus believes that it is important to resolve the pending Appointments Clause issues in a manner that helps “ensure that every citizen can have complete confidence in the integrity of the Federal Government.” Principles of Ethical Conduct for Government Officers and Employees, Exec. Order No. 12,731, 55 Fed. Reg. 42,547 (Oct. 19, 1990). In particular, *Amicus* believes that this aspiration is undermined by the Federal Circuit’s holding “that the application of Title 5’s removal protections to APJs is unconstitutional.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1338 (Fed. Cir. 2019), *cert. granted sub nom., United States v. Arthrex, Inc.*, 592 U.S. ___ (Oct. 13, 2020) (No. 19-1434).

Because *Amicus* has an interest in contributing to an effective and sensible resolution of the pending Appointments Clause issues, *Amicus* has an interest in these proceedings.

SUMMARY OF ARGUMENT

Contrary to the Federal Circuit’s reasoning in *Arthrex*, APJs are not unconstitutionally insulated from Presidential control. The pertinent cases where

removal protection of officers were found unconstitutional involved officers who impermissibly benefited from (or were perceived as benefiting from) multiple layers of protection. The role of impermissible multi-layer protections was explicit in *Free Enterprise Fund v. Public Company Accounting Oversight Bd.*, 561 U.S. 477 (2010), where members of the Public Company Accounting Oversight Board (“PCAOB”) had removal protections and were overseen by Commissioners of the Securities and Exchange Commission who also had removal protections. But impermissible multi-layer protections were also an underlying, if underdeveloped, issue in *Intercollegiate Broad. Sys. v. Copyright Royalty Bd.*, 684 F.3d 1332 (D.C. Cir. 2012), because the Copyright Royalty Judge (“CRJ”) members of the Copyright Royalty Board are overseen by the Librarian of Congress, who at the time was perceived as having a lifetime appointment.

The Federal Circuit’s decision in *Arthrex* did not take into consideration that the clear, at-will employment of the Secretary of Commerce and the Director of the USPTO distinguishes the APJs from members of the PCAOB and the CRJs because APJs only benefit from a single-layer of removal protection.

The Federal Circuit also did not fully appreciate that the Director, a principal officer of the United States, has final authority to act or refuse to act on PTAB decision. That is, the PTAB’s decisions are

insufficient to compel the Director to issue patent, withhold issuance of patents, or cancel claims of issued patents. Thus, the Director, not the PTAB, has the final authority to act. The Federal Circuit conflated the normal course of events (i.e., the Director carries out the decisions of the PTAB) with the statutory mandates that give the Director more than mere ministerial powers.

Furthermore, the Federal Circuit gave too little credence to the Director's authority to shape the duties each APJ has in providing service on the PTAB. Rather than ascertaining whether the Director has sufficient authority to ensure that APJs are inferior rather than principal officers, the Federal Circuit set an arbitrarily high threshold of authority based on possible powers the Director could be granted.

The Federal Circuit's focus on ensuring that the Secretary and Director have unfettered removal authority undervalues the important role that removal protections have in strengthening public confidence that decisions of the PTAB accord with the law and are grounded in impartial fact-finding. Specifically, these rights promote transparency in any efforts the Secretary and the Director take to exercise control over PTAB decision-making. The PTAB is unlike the PCAOB and the Copyright Royalty Board because the PTAB inherently plays a role in ascertaining whether the Director has, in some manner, erred (e.g., through

the allowance of invalid claims or through the failure to demonstrate that an applicant is not entitled to a patent). Removal protections help ensure that the public can have full confidence that the decisions of the PTAB reflect the proper application of law and facts, not the will of the Director.

Finally, the Federal Circuit's remedy, revoking APJs of removal protections, may have been more than was necessary to cure the purported Constitutional deficiency in the framework of the PTAB. There would be clear benefits to ensuring that the Secretary and Director have discretion to continue recognizing APJ removal protections, even if the Constitution proscribes requiring that the Secretary and Director respect such protections. Therefore, if this Court agrees with the Federal Circuit that there is a Constitutional deficiency that must be remedied, the Court should seek to further limit the scope of judicial intervention to the fullest extent practicable.

ARGUMENT

REMOVAL PROTECTIONS FOR APJS DO NOT IMPROPERLY INSULATE APJS FROM PRESIDENTIAL CONTROL

In concluding that APJ are principal officers, the Court of Appeals for the Federal Circuit found it significant that the “only actual removal authority the Director or Secretary have over APJs is subject to limitations by Title 5.” *Arthrex*, 941 F.3d at 1333. The

Federal Circuit cited multiple decisions extolling the power that unfettered removal authority has for controlling officers. *Id.* at 1332–34 (citing, e.g., *Edmond v. United States*, 520 U.S. 651 (1997); *Free Enterprise Fund*, 561 U.S. 477. But “the sole authority [explicitly] relied upon by the *Arthrex* panel to support its conclusion that APJs are principal officers” was “a decision by a three-judge panel of the D.C. Circuit, holding that Copyright Royalty Judges are principal officers.” Brief for New York Intellectual Property Association as *Amicus Curiae* in Support of the United States’ Petition for Writ of Certiorari 8 (July 29, 2020) (citing *Intercollegiate*, 684 F.3d at 1340).

APJs are not analogous to the CRJs of *Intercollegiate* for the reasons discussed in the Opening Brief for Smith & Nephew, Inc. and Arthrocare Corp. 38–40 and in *Polaris Innovations Ltd. v. Kingston Tech. Co.*, No. 2018-1831, slip op. 11–12 (Fed. Cir. Jan. 31, 2020) (non-precedential) (Hughes, J., concurring). Moreover, *Intercollegiate* addressed Appointments Clause deficiencies stemming from CRJ appointment by the Librarian of Congress, a Legislative Branch position that had become a *de facto* lifetime appointment² to a

² Brief for John Duffy and Daniel R. Ortiz as *Amicus Curiae* in No. 12-928, pp. 3, 15 (Feb. 25, 2013 (citing Library of Congress, *Jefferson’s Legacy: A Brief History of the Library of Congress, Librarians of Congress*, <http://www.loc.gov/loc/legacy/librs.html> (Mar. 30, 2006); 29 Cong. Rec. 378 (1896)); *but see Intercollegiate*, 684 F.3d at 1341 (citing *Ex parte Hennen*, 38 U.S. (13 Pet.) 230, 259 (1839); *Kalaris v. Donovan*, 697 F.2d 376, 389

public servant who arguably was “far more likely to pay attention to the views of members of Congress” than to the President³.

Although the D.C. Circuit panel did not consider the *de facto* (if not *de jure*) independence of the Librarian of Congress from the President in reaching a decision in *Intercollegiate*, such independence made the structure of the Copyright Royalty Board on which CRJs sit problematic under the Appointments Clause in a manner that is inapplicable to the structure of the PTAB.

Specifically, removal protections that restrict a principal officer’s ability to remove an inferior officer are problematic when the “President [is also] restricted in his ability to remove [the] principal officer.” *Free Enterprise Fund*, 561 U.S. at 484. Such “multi-level protection from removal is contrary to Article II’s vesting of the executive power in the President.” *Id.*

(D.C. Cir.1983)) (“the Librarian is appointed by the President with advice and consent of the Senate, 2 U.S.C. § 136, and is subject to unrestricted removal by the President”); Brief for Federal Respondents in Opposition, No. 12-928, pp. 16–17 (Apr. 26, 2013) (citing, e.g., Brief for Intercollegiate Broadcasting System as Petitioner, No. 12-928, pp. 28–29 (Jan. 25, 2013)) (arguing that the President has the authority to remove the Librarian of Congress and noting that Presidents Jackson and Lincoln had exercised such authority).

³ Brief for Intercollegiate Broadcasting System as Petitioner, No. 12-928, p. 29.

At the time *Intercollegiate* was decided, no Librarian of Congress had been removed since at least 1897.⁴ The Librarian of Congress at the time had, in fact, served for about 25 years. Brief for John Duffy and Daniel R. Ortiz as *Amicus Curiae* in No. 12-928, pp. 3, 12. Thus, the ability of the President to remove a Librarian of Congress, with or without cause, had gone untested for an inordinate amount of time.

In contrast, the Secretary and Director, are not only both removable at will by the President⁵, but they also have historically been subject to significantly greater turnover than the Librarian of Congress⁶.

⁴ Brief for John Duffy and Daniel R. Ortiz as *Amicus Curiae* in No. 12-928, pp. 3, 12; *see also* Act of Feb. 19, 1897, ch. 265, 29 Stat. 538, 544 (establishing that the Librarian of Congress would “be appointed by the President, by and with the advice and consent of the Senate”). The Librarian of Congress is now “appointed for a [renewable] term of 10 years.” Librarian of Congress Succession Modernization Act of 2015, Pub. L. 114-86, 129 Stat. 675 (Nov. 5, 2015). Although a fixed tenure defeats the presumption that the Librarian of Congress holds a lifetime appointment, the long tenure also suggests that the Librarian of Congress does not serve at the pleasure of the President.

⁵ Brief for Intercollegiate Broadcasting System as Petitioner, No. 12-928, p. 4 (citing 35 U.S.C. § 3(a)(1)); 15 U.S.C. § 1501.

⁶ The average tenure since 1802 has been less than four years, with only William Thornton (1802–28), Henry L. Ellsworth (1835–45), Thomas E. Robertson (1921–33), and Conway P. Coe (1933–45) having served approximately ten years or more. USPTO, *Past leaders of the USPTO*, <https://www.uspto.gov/about-us/past-uspto-leaders> (last modified Feb. 26, 2019). The average tenure of Secretaries of Commerce or Secretaries of Commerce and Labor have been a little more than two-and-a-half years. U.S. Dept. of Commerce, *Secretaries of Commerce*, <https://www.commerce.gov/about/history/past-secretaries> (last

Moreover, the Secretary and Director, being situated unambiguously in the Executive Branch (and not, at least facially, in the Legislative Branch) are more likely than the Librarian of Congress to be perceived as directly accountable to the President rather than to Congress.

This dynamic means that APJs—who are appointed by the Secretary and serve under the Director—are not improperly insulated from Presidential control. APJs who fail to execute their duties faithfully can reasonably expect to be held accountable by the Secretary and Director, who themselves serve at the pleasure of the President.

The at-will employment of the Secretary and Director, and its impact on the propriety of APJs being granted removal protections, is particularly clear when the PTAB framework is compared with the framework for the PCAOB, which was dispositive in *Free Enterprise Fund*. There, members of the PCAOB could not be removed by the Securities and Exchange Commission without a showing of good cause. 561 U.S. at 486. But the parties agreed that the Commissioners overseeing the PCAOB also enjoyed removal protection and the case was decided “with that

visited Nov. 29, 2020). In contrast, the average tenure of Librarians of Congress when *Intercollegiate* was decided was nearly 16 years. Library of Congress, *Previous Librarians of Congress*, <https://www.loc.gov/about/about-the-librarian/previous-librarians-of-congress/> (last visited Nov. 29, 2020).

understanding.” *Id.* at 487 (citing, e.g., *Humphrey’s Executor v. United States*, 295 U.S. 602, 620 (1935)); *but see Free Enterprise Fund*, 561 U.S. at 545 (Breyer, J., dissenting) (asserting that the Court simply assumed “without deciding that the SEC Commissioners themselves [were] removable only ‘for cause’”). It was because of this “multilevel protection”—officers with removal protections being accountable solely to officers who also enjoyed removal protections—that the Court concluded the PCAOB framework impermissibly interfered with the executive power of the President:

The President cannot “take Care that the Laws be faithfully executed” if he cannot oversee the faithfulness of the officers who execute them. Here the President cannot remove an officer who enjoys more than one level of good-cause protection, even if the President determines that the officer is neglecting his duties or discharging them improperly. That judgment is instead committed to another officer, who may or may not agree with the President’s determination, and whom the President cannot remove simply because that officer disagrees with him. This contravenes the President’s “constitutional obligation to ensure the faithful execution of the laws.”

Free Enterprise Fund, 561 U.S. at 484 (quoting *Morrison v. Olson*, 487 U.S. 654 (1988)).

Although the specifics differ, the collective supervisory role the Secretary and Director hold with respect to APJs on the PTAB is at least superficially analogous to the collective supervisory role Commissioners of the Securities and Exchange Commission hold with respect to members of the PCAOB. But unlike the Commissioners, the Secretary and Director do not have removal protections.

If the President determines that an APJ is neglecting his or her duties or discharging them improperly, and the Secretary and Director disagree, the President can at least remove the Secretary and Director. *Compare with id.* Because of this critical difference, APJs as officers of the United States do not benefit from unconstitutional multilevel removal protection. *Id.*

The Federal Circuit focused solely on whether the removal authority the Secretary and Director have with respect to APJs is unfettered without considering what removal authorities (both as a matter of law and a matter of practice) the President has with respect to the Secretary and Director. *Arthrex*, 941 F.3d at 1332–34. Therefore, the Federal Circuit erroneously concluded that the removal protections enjoyed by APJs weigh in favor of APJs being principal rather than inferior officers. *Id.* at 1335.

**THE DIRECTOR IS THE PRINCIPAL OFFICER WITH
FINAL AUTHORITY TO ACT OR REFUSE TO ACT ON
PTAB DECISIONS**

In concluding that APJs are principal officers, the Federal Circuit also found that there was no “presidentially-appointed officer who can review, vacate, or correct decisions by the APJs.” *Arthrex* 941 F.3d at 1335. In particular, the Federal Circuit found that “[p]anel[s] of APJs issue final decisions on behalf of the USPTO, at times revoking patent rights, without any principal officers having the right to review those decisions.” *Id.* at 1331. But the Federal Circuit failed to identify any final decision-making authorities that APJs hold that are not subject to final control by the Director, a principal officer.

The Federal Circuit, finding that “the Board has issued over 500 *inter partes* review final written decisions each year,” reasoned that the “relevant question is to what extent those *decisions* are subject to the Director’s review.” *Id.* at 1330 (emphasis added). But the Federal Circuit failed to recognize how critical it is that those final written *inter partes* review decisions are not self-executing. Rather, the Director must ultimately act for such decisions to take effect:

If the Patent Trial and Appeal Board issues a final written decision . . . and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a

certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

35 U.S.C. § 318(b).

The Federal Circuit correctly noted that in the typical case, “[o]nce the time for appeal of the decision expires or any appeal has been terminated, the Director issues and publishes a certificate canceling any claim of the patent finally determined to be unpatentable.” *Arthrex*, 941 F.3d at 1326 (citing 35 U.S.C. § 318(b)). But the Federal Circuit did not acknowledge that the Director is not subordinate to the PTAB—that issuing and publishing such a certificate is more than a ministerial act. *See* Opening Brief for Smith & Nephew, Inc. and Arthrocare Corp. 28 (“the *final* action in an IPR proceeding—the cancellation or confirmation of the patent claims—is by statute committed solely to the Director”). If the Director refuses to issue and publish a certificate, the PTAB has no authority to compel the Director to do so. *Cf. In re Alappat*, 33 F.3d 1526, 1535 (Fed. Cir. 1994) (“[o]nly a court can order the Commissioner [of Patents] to act, not the Board”).

The power of the Director to accede to or reject decisions of the PTAB, unless compelled by an Article III court, creates the exact opposite situation that was

in place in *Intercollegiate*: “CRJs’ rate determinations [were] not reversible or correctable by any other officer or entity within the executive branch” and the CRJs issued “decisions that [were] final for the executive branch, subject to reversal or change only when challenged in an Article III court.” 684 F.3d at 1340. That is, the decision-making authority held by CRJs was self-executing, unlike the decision-making authority held by APJs, which requires execution by the Director and thus is subject to reversal or change (by the Director) without having to be challenged in an Article III court.

To be sure, it would be unusual for the Director to refuse to carry out the final action after *inter partes* review proceedings are complete. But it is not unprecedented for decisions of the PTAB or its predecessors to be made ineffectual.

For example, in *ex parte* proceedings during patent prosecution, if the Director disagrees with a PTAB decision favorable to a patent applicant, the Director can designate an expanded panel “to consider a request for reconsideration of a decision rendered by [the] original panel.” *Alappat*, 33 F.3d at 1532; 35 U.S.C. § 6(a); *see also* Manual of Patent Examination Procedure (9th ed., rev. 10.2019) § 1214.04 (June 2020) (detailing the procedure by which “[t]he examiner may request rehearing of the Board

decision”).⁷ Or if the Director disagrees with a PTAB decision adverse to a patent applicant, the Director may agree with the patent applicant’s position and, having conceded, extinguish any case or controversy with the patent applicant. *In re Beauregard*, 53 F.3d 1583, 1584 (Fed. Cir. 1995). Regardless the dispute, the PTAB cannot compel the Director—the principal officer with final authority to act or refuse to act—to issue a patent or withhold his signature. 35 U.S.C. § 153.

Because the PTAB alone cannot act, but must rely on the Director to exercise his authority, the finality and authority of PTAB decision-making is a fiction, albeit a useful one. Although situated in the Executive Branch, APJs, like their Article III judicial colleagues, “may truly be said to have neither FORCE nor WILL, but merely judgment.” THE FEDERALIST NO. 78 (Alexander Hamilton). That is, similar to their Article III colleagues, who “must ultimately depend upon the aid of the executive arm even for the efficacy of its judgments,” *id.*, APJs ultimately depend upon the aid of the Director—the principal officer with final

⁷ The Director’s authority to call for a rehearing on a new, expanded panel is even greater than the authority, discussed in *Edmond*, of the Judge Advocate General to order review of Court of Criminal Appeals decisions by the Court of Appeals for the Armed Forces because the Director does not have to order review of decisions by “another Executive Branch entity.” *Edmond*, 520 U.S. at 664.

authority to act or refuse to act—to give efficacy to the decisions of the PTAB.

THE DIRECTOR CAN SHAPE EACH APJ’S ROLE ON THE PTAB TO DETERMINE WHAT JUDICIAL DUTIES, IF ANY, EACH APJ IS AUTHORIZED TO FULFILL

Even before the PTAB renders a decision, whether in an *inter partes* review or *ex parte* proceeding, the Director has plenary authority to shape the duties of each APJ so as to determine what panels, if any, a particular APJ is assigned to fulfill. Brief for the United States as Petitioner, p. 5 (June 25, 2020) (citing 35 U.S.C. § 6(c)). Thus, like judges of the Court of Criminal Appeals, APJs “have no power to render a final decision on behalf of the United States unless permitted to do so” by a principal officer. *Edmond*, 520 U.S. at 665.

The Federal Circuit did not agree that the Director’s designation power was analogous “to the Judge Advocate General’s power in *Edmond*” because, “[r]emoving an APJ from an *inter partes* review is a form of control [that] is not nearly as powerful as the power to remove from office without cause.” *Arthrex*, 941 F.3d at 1332–33. But the Federal Circuit’s reasoning—that the power the Director has to control APJs is insufficient because more powerful forms of control are imaginable—is fallacious.

In *Edmond*, the “Judge Advocate General’s control over Court of Criminal Appeals judges [was], to be

sure, not complete.” 520 U.S. at 664. For example, the Judge Advocate General could “not attempt to influence (by threat of removal or otherwise) the outcome of individual proceedings, Art. 37, UCMJ, 10 U.S.C. § 837, and [he had] no power to reverse decisions of the court.” *Id.* But though more powerful forms of control were imaginable (e.g., threats of removal to influence individual proceedings or unilateral power to reverse decisions could have been allowable), the limitations of the Judge Advocate General’s control of Court of Criminal Appeals judges failed to render the judges principal officers. *Id.* at 665.

Furthermore, the Federal Circuit, in finding “[t]here can be no reasonable dispute that APJs who decide reexaminations, *inter partes* reviews, and post-grant reviews wield significantly more authority than their Examiner-in-Chief predecessors,” *Arthrex*, 941 F.3d at 1335, failed to acknowledge that any such authority is wielded only at the sufferance of the Director. The Federal Circuit did not even address duties that could be assigned to APJs unrelated to *inter partes* review proceeding duties. *Id.* at 1328 (citing, e.g., 37 C.F.R. §§ 42.51, 42.62(a), 42.70; 35 U.S.C. §§ 6(c), 141(c), 318(a), 319; *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 584 U.S. ___ (2018)). In fact, the Federal Circuit, even when urged that the holding of *Arthrex* “should not be extended to *ex parte* proceedings because [the Director] possesses ‘complete control over the initial examination,’”

avoided substantive analysis of the APJ duties in the context of *ex parte* proceedings because the Director purportedly “conceded that the APJ’s appointments were unconstitutional.” *In re Boloro Global Ltd.*, 963 F.3d 1380, 1381 (Fed. Cir. July 7, 2020).

The Federal Circuit, in focusing solely on whether the Secretary or the Director have unfettered authority to remove APJs from service altogether, set the bar unreasonably high in *Arthrex*. Rather than ascertain whether the authorities the Secretary and the Director have to limit the scope of each APJ’s duties are sufficient to ensure that APJs are inferior rather than principal officers, the Federal Circuit erroneously limited its inquiry to whether the Secretary or the Director have exceptionally powerful means of controlling APJs. This limited inquiry led the Federal Circuit to conclude, erroneously, that “the control and supervision of the APJs is not sufficient to render them inferior officers.” *Arthrex*, 941 F.3d at 1335.⁸

⁸ This limited inquiry also may have blinded the Federal Circuit to other significant tools the Director has to exercise control over APJs. For example, “unlike administrative law judges in other agencies, APJs’ compensation [is] subject to control by their superiors.” Brief for Smith & Nephew, Inc., and Arthrocare Corp. as Respondents 13 (July 23, 2020) (citing, e.g., 5 U.S.C. § 7513(a); 35 U.S.C. 3(b)(6)); *compare with Free Enterprise Fund*, 561 U.S. at 504 (“altering the budget or powers of an agency *as a whole* is a problematic way to control an inferior officer” (emphasis added)). “In the general course of human nature, A POWER OVER A MAN’S SUBSISTENCE

**REMOVAL PROTECTIONS PROMOTE CONFIDENCE
THAT APJS ARE APPLYING THE LAW FAITHFULLY AND
RENDERING IMPARTIAL, FACT-BASED DECISIONS**

The Federal Circuit’s insistence that the Secretary and Director must have unfettered removal authority over APJs devalues the important role removal protections play in promoting confidence that APJs are applying the law faithfully and rendering impartial, fact-based decisions. APJs serve under the Director, who has multiple tools for holding them accountable for the faithful discharge of their duties. But the adjudicatory duties of APJs necessarily include making impartial determinations that may prove the Director, at some level, deficient in carrying out the Director’s own duties.

For example, the PTAB, in *post-grant* and *inter partes* reviews, determines whether the Director erred in issuing a patent. 35 U.S.C. §§ 153, 314, 321(a). Had the Director not issued the challenged patent—with claims that were allegedly allowed erroneously—there would be nothing to review. Similarly, in *ex parte* appeals, the PTAB determines whether a primary examiner, in carrying out the examination of a patent application under the Director’s authority, erred in by failing to show through examination that the

AMOUNTS TO A POWER OVER HIS WILL.” THE FEDERALIST NO. 79 (Alexander Hamilton).

applicant was not entitled to a patent. 35 U.S.C. §§ 131, 134.

In any such circumstances, trust that the APJs deciding cases before them are applying the law faithfully—rendering impartial, fact-based decisions—is paramount. If the public perceives the PTAB is merely an extension of the Director (perhaps because of the perceived *in terrorem* effect created by the power of at-will removal⁹) rather than as an honest, impartial adjudicator, then the very reason for the PTAB to exist comes into question.

Such considerations were not pertinent in *Free Enterprise Fund* and *Intercollegiate*. The PCAOB “promulgates auditing and ethics standards, performs routine inspections of all accounting firms, demands documents and testimony, and initiates formal investigations and disciplinary proceedings.” *Free Enterprise Fund*, 561 U.S. at 485 (citing 15 U.S.C. §§ 7213–15 (2006 ed. and Supp. II)). The Securities Exchange Commission overseeing the PCAOB has the power “to review any [PCAOB] rule or sanction” rather than the PCAOB reviewing the work of the Commission. *Id.* at 489. Similarly the Register of Copyrights, who is appointed by, and acts at the direction of, the Librarian of Congress, “reviews and corrects any legal errors in the CRJs’ determinations.” *Intercollegiate*, 684 F.3d at

⁹ See Brief for the United States 41 n.5 (Nov. 25, 2020).

1338–39 (citing, e.g., 17 U.S.C. §§ 701(a), 802(f)(1)(D)). Neither body has a role where its members are expected, in effect, to opine in some manner on the performance of an officer or body under whom it serves.

Given that APJs are expected to opine in some manner on the performance of the Director, maintaining the single-level of removal protection that has repeatedly been found allowable under the Constitution should be a high priority. *Free Enterprise Fund*, 561 U.S. at 493–95. “No man is allowed to be a judge in his own cause, because his interest would certainly bias his judgment, and, not improbably, corrupt his integrity.” THE FEDERALIST NO. 10 (James Madison). But if APJs serve—not just on panels, but as officers of the United States—only at the sufferance of the Director, then the public may reasonably conclude that the PTAB is merely an extension of the Director. Therefore, the public’s confidence in PTAB proceedings—proceedings where the Director, by extension through the PTAB, judges his own performance—may irreparably suffer.

Maintaining removal protections for APJs provides assurance that APJs are making decisions based on their understanding of the law and the facts, not based on fear for the loss of livelihood. This creates powerful incentives for the Director to use open, transparent methods of influencing PTAB decision-making. Designating opinions as precedential or informative,

for example, allows the Director to openly determine what PTAB decisions will be binding on future panels. Brief for the United States 30 (citing *Standard Operating Procedure 2* (Revision 10), at 1, available at <https://go.usa.gov/xwXem> (Sept. 20, 2018)). The Director may issue proactive guidance. *See, e.g.*, 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. 50 (Jan. 7, 2019). Or the Director may institute a new, expanded panel (*Alappat*, 33 F.3d at 1532), settle a case (*Beauregard*, 53 F.3d at 1584), or act or refuse to act contrary to determinations of the PTAB (35 U.S.C. §§ 153, 318(b)).

With all these methods of control, the will of the Director is made open to the public. The Director's guidance or exercise of control can be praised or criticized, as can the PTAB's obstinance or acquiescence to such guidance or exercise of control. APJ removal protections encourage the use of these types of measures, which are transparent and which help keep both the Director and the APJs accountable. Moreover, APJ removal protections limit the perception that APJ acquiescence to Director guidance might be unduly driven by fear of retribution. This provides assurance, for example, that APJs upholding Director guidance do so with the good faith belief that they are also upholding the law and impartially reaching fact-driven decisions.

LEGISLATIVE AND EXECUTIVE ACTION, NOT JUDICIAL INTERVENTION, SHOULD SHAPE ANY REMEDIES NEEDED TO ADDRESS CONSTITUTIONAL DEFICIENCIES TO THE EXTENT PRACTICABLE

Given that APJ removal protections play an important institutional role in promoting confidence in the PTAB’s faithful application of the law and impartial, fact-based decision-making, judicial intervention to remedy any constitutional deficiency should be limited to the fullest extent practicable. *See Free Enterprise Fund*, 561 U.S. at 508. Judicial guidance may be helpful in reaching any needed legislative solution.¹⁰ But until a legislative solution to any Constitutional deficiencies is adopted, judicial intervention should be limited to enable the Secretary and Director to exercise forbearance with respect to any limitations on the removal protections held by APJs.

In *Arthrex*, the Federal Circuit partially severed “35 U.S.C. § 3(c), the provision that applies Title 5 to officers and employees of the USPTO” because the Federal Circuit believed such severing to be “the narrowest viable approach to remedying the [purported] violation of the Appointments Clause.” 941 F.3d at 1337. But by “hold[ing] that the application of Title 5’s

¹⁰ Brief of Askeladden L.L.C. as *Amicus Curiae* in Support of Petitioner 24 (July 29, 2020) (citing *The Patent Trial and Appeal Board and the Appointments Clause: Implications of Recent Court Decisions Before the H. Comm. on the Judiciary*, 116th Cong., available at <https://judiciary.house.gov/calendar/event-single.aspx?EventID=2249> (Nov. 19, 2019)).

removal protections to APJs is unconstitutional and must be severed,” *id.* at 1338, the Federal Circuit may have limited any discretion the Secretary and Director might have to allow APJ recourse to removal protections, even if the Secretary and Director can no longer be compelled to allow such recourse. That is, rather than merely allowing the Secretary or Director the option to remove an APJ without cause and without the option for review, the Federal Circuit may have deprived the Merit System Protection Board of jurisdiction to review an APJ’s removal, even with the full consent of the Secretary and Director. The Merit System Protection Board considers arguments implicating its jurisdiction to always be before it, and such arguments “may be raised by any party or sua sponte by the [Merit System Protection] Board at any time during a Board proceeding.” *Hamilton v. United States Postal Service*, 123 M.S.P.R. 404 ¶ 19 n.12 (MSPB 2016).

The Federal Circuit’s proffered partial severance of 35 U.S.C. § 3(c) “to add exceptions for APJs” was intended to avoid rewriting the statute. *Arthrex*, 941 F.3d at 1338 (citing *Railroad Retirement Bd. v. Alton R. Co.*, 295 U.S. 330, 362 (1935)). But foreclosing access to removal protections entirely, rather than merely granting the Secretary or Director the waivable option to remove APJs without cause, precludes the Secretary or Director from invoking any form of forbearance. Thus, the Federal Circuit’s proffered

remedy prevents the Secretary and Director from forging a middle ground that would both remedy the purported Constitutional deficiency and preserve most of the benefits removal protections have in promoting confidence in the continued integrity of PTAB proceedings.

If this Court agrees with the Federal Circuit that there is a Constitutional deficiency in applicability of removal protections to APJs, this Court should seek to limit the judicial remedy as narrowly as possible so that any negative repercussions incurred while waiting for a legislative remedy can be mitigated through executive action such as discretionary recognition of removal protections.

CONCLUSION

The judgment of the Court of Appeals for the Federal Circuit should be reversed.

Respectfully submitted.

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