

Nos. 19-1434, 19-1452, and 19-1458

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In The  
Supreme Court of the United States

United States,  
*Petitioner,*

v.

Arthrex, Inc., et al.,  
*Respondents.*

\_\_\_\_\_  
Smith & Nephew, Inc., et al.,  
*Petitioners,*

v.

Arthrex, Inc., et al.,  
*Respondents.*

\_\_\_\_\_  
Arthrex, Inc.,  
*Petitioner,*

v.

Smith & Nephew, Inc., et al.,  
*Respondents.*

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

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**BRIEF *AMICUS CURIAE* OF  
JOSHUA J. MALONE IN SUPPORT OF  
RESPONDENT IN 19-1434**

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## 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 vested in a department head.

2. Whether, if administrative patent judges are principal officers, the court of appeals properly cured any Appointments Clause defect in the current statutory scheme prospectively by severing the application of 5 U.S.C. 7513(a) to those judges.

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**INTEREST OF *AMICUS CURIAE*<sup>1</sup>**

I quit my corporate job in 2006 to become a full time inventor and entrepreneur. It was a huge investment and risk for my entire family. We gave up my salary as a process engineer, mortgaged our home, depleted our retirement fund, and deferred our children's college fund. We knew that financial success was statistically unlikely, as most startups fail for a variety of reasons. But I believed that if I invented a commercially viable solution to the problems at hand I would secure ownership of that invention by a U.S. patent. Sadly I was mistaken. I never dreamed that so-called judges inside the Patent Office would take away my patent the moment I needed to use it.

My invention, Bunch O Balloons, solved a 63 year long problem of filling and sealing water balloons. The commercial embodiment is comprised of 35 balloons fastened to the ends of flexible tubes by tiny elastic rings, the other ends of tubes joined to a garden hose connector. Water flows down each of the tubes to simultaneously fill the balloons, and when the balloons are detached the elastic ring clinches the

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<sup>1</sup> No counsel for a party authored this brief in whole or in part. No person or entity other than *Amicus* or its counsel made a monetary contribution to the preparation or submission of this brief. Consent for filing this *amicus* brief has been obtained from all parties, via docket-filed blanket consents. Counsel of record for *Amicus* notes that in relevant portions of the brief, *Amicus*, Mr. Malone, wanted his argument presented in the first person.



neck of the balloon shut. You can make 100 water balloons in a minute.

When I launched my invention on the Kickstarter crowdfunding platform, a notorious knock-off company surreptitiously purchased a first edition product, reverse engineered it, went into production at their Chinese factory, and flooded the market with copies. They sold millions of infringing copies on television, the internet, Walmart, Target, Bed Bath & Beyond, Toys R Us, Walgreens, Kroger, and Home Depot.

That's what courts are for, I thought. I took the infringer to court under Section 271 of the Patent Act and won several preliminary injunctions, multiple appeals, a jury verdict, and a final judgment – all upholding my patents as not invalid. Meanwhile, the Patent Office's Patent Trial and Appeal Board ("PTAB") instituted review of my same four patents and issued a final written decision invalidating the first one.<sup>2</sup> Among many spurious rulings, PTAB "judges" determined that my claims were indefinite in a Post Grant Review because one of ordinary skill cannot determine when a balloon is substantially filled with water and that my invention was an

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<sup>2</sup> I am the sole owner of Tinnus Enterprises, LLC. The relevant matters are styled *Tinnus Enterprises, LLC v. Telebrands Corporation* in the District Court for the Eastern District of Texas and the Court of Appeals for the Federal Circuit; for PTAB matters the parties are reversed; others include *In re Telebrands Corporation*, *In re Tinnus Enterprises, LLC*, and *Telebrands v. Iancu*. In short, there were eight separate proceedings before the PTAB involving six of my patents.

obvious combination of a prior balloon filler, a sprinkler, and a gastric dietary balloon.

In my case the PTAB did not serve as a faster or less expensive alternative to district court. Rather it added more than 2 years and approximately \$1.5M in extra legal expense by duplicating and extending the district court litigation, eventually forcing us to settle for a fraction of the damages. It duplicated, contradicted, and confounded the proceedings and decisions of the district court. It inspired arrogance and confidence in an adjudged willful infringer.

I have completed the entire innovation circuit from invention conception to \$31M judgment in a widely known and cited patent litigation. I was involved daily in the entire process. I have written dozens of articles, been featured in dozens of news reports from Today Show to Wall Street Journal. I have participated in several professional legal conferences as a panelist, have authored several amicus briefs, testified in USPTO hearings, and participated in USPTO rulemaking. I have spoken and/or corresponded with over one hundred other inventors whose patents have been challenged at the PTAB, and I have reviewed the key pleadings and decisions in their cases. Perhaps most importantly, I am not a lawyer.

### **SUMMARY OF THE ARGUMENT**

Administrative Patent Judges (“APJs”) are acting as Officers of the United States, even though they were not confirmed by the Senate and may in fact lack the qualifications for approval. I contrast the

adjudication of my patents before PTAB APJs with proceedings before a magistrate judge who was supervised by a Senate-confirmed district court judge. For patents to promote progress in the useful arts by securing to inventors like me the exclusive right to our inventions, revocations must be overseen by highly qualified, transparently vetted and independent Officers of the United States.

## ARGUMENT

### I. Introduction

This case is about the APJs of the PTAB. The Chief Justice of this Court correctly noted that they are in fact not judges, but rather are executive branch employees.<sup>3</sup> They are not independent – neither before nor after removal of their Title 5 civil service protections in the decision below. Their experience and credentials are substantially less than Article III judges.<sup>4</sup> A large number of them were selected by the former head of patents at Google.<sup>5</sup> Many of them work

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<sup>3</sup> *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 584 U.S. \_\_\_\_ (2018), Tr. of Oral Arg. (Nov. 27, 2017), available at [https://www.supremecourt.gov/oral\\_arguments/argument\\_transcripts/2017/16-712\\_7kh7.pdf](https://www.supremecourt.gov/oral_arguments/argument_transcripts/2017/16-712_7kh7.pdf) at 47.

<sup>4</sup> Gene Quinn, *PTAB Judges Shockingly Inexperienced Compared to District Court Judges*, IPWatchdog (2018), <https://www.ipwatchdog.com/2018/03/06/ptab-judges-shockingly-inexperienced/> (last visited Dec. 27, 2020).

<sup>5</sup> Michael Loney, *USPTO's Michelle Lee comes bearing good news, leaves mixed response*, ManagingIP (2014), <https://www.managingip.com/article/b1kc24h2bv8d62/usptos-m>

for petitioners before and after their time at the PTAB. One individual worked as litigation counsel for Apple, then sided with Apple in 96% of decisions as an APJ<sup>6</sup>, and now works for Apple again, representing them at the PTAB.<sup>7</sup> APJ employment is contingent on deciding a sufficient number of cases against inventors, and they get bonuses based on their output. On average their legal experience and qualifications are substantially less than an Article III judge. At times they appear to be instructed by other officials (who likewise are not properly appointed and confirmed) on what to write in their opinions.<sup>8</sup> They don't hear testimony or observe cross-examination of witnesses; they don't follow the Federal Rules of Procedure; and they limit hearings to 1 or 2 hours.

On the other hand, the APJs believe themselves to be judges. They require that all rise when they enter and leave a hearing room and are addressed as "your honor." They wield near-absolute power in deciding ownership of trillions of dollars in

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(last visited Dec. 27, 2020).

<sup>6</sup> Steve Brachmann, *Apple, APJ Clements and final written decisions: a lethal cocktail for patents*, IPWatchdog (2017), <https://www.ipwatchdog.com/2017/06/22/apple-apj-clements-final-written-decisions-lethal-cocktail-patents> (last visited Dec. 28, 2020).

<sup>7</sup> *Apple, Inc., et al. v. Kilbourne*, No. IPR2019-00233 (P.T.A.B. Jan. 30, 2020), Paper 38 at 2 and 3:15.

<sup>8</sup> Gene Quinn, *PTAB Phantom Expanded Panels Erode Public Confidence and Essential Fairness*, IPWatchdog (2018), <https://www.ipwatchdog.com/2018/03/22/ptab-phantom-expanded-panels/> (last visited Dec. 27, 2020).

intellectual property rights. They often overrule Article III judges and juries. They make the final decision for the executive branch in AIA trials – revoking one or more claims in 84% of the 3,000 patents they have reviewed.<sup>9</sup>

My response to the first question presented is that APJs carry the duties and responsibilities of Officers of the United States, but many are in fact unfit for such a position. This is not a mere technicality. This Constitutional violation precludes inventors from relying on the patent system and undermines the justice system as a whole (*e.g.*, when they nullify judgments of Article III courts).<sup>10</sup> There is no point in applying for a patent as long as the current pool of APJs have the power to take it back and overrule Article III courts. The decisions in these high stakes matters should be made by properly vetted Officers of the United States.

## **II. Adjudicators Of Public Franchise Rights**

I have read this Court's decision in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 138 S. Ct. 1365 (2018), and I understand that the Court considers patents to be public franchise rights granted by the government. Under that view, perhaps it does not matter who handles disputes over patent

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<sup>9</sup> Josh Malone, *Assessing PTAB Invalidation Rates*, US Inventor (2020), <https://usinventor.org/assessing-ptab-invalidation-rates> (last visited Dec. 27, 2020).

<sup>10</sup> *Chrimar Systems, Inc. v. ALE USA Inc.*, 785 Fed. Appx. 854 (Fed. Cir. Sept. 19, 2019); *XY, LLC v. Trans Ova Genetics*, 890 F.3d 1282 (Fed. Cir. 2018); *ePlus, Inc. v. Lawson Software, Inc.*, 789 F.3d 1349 (Fed. Cir. 2015).

validity. As fellow inventor and entrepreneur Tom Pierson muses in the documentary *INVALIDATED*, “a much better process would be, as soon as a patent is issued, somebody at the Patent Office flips a coin: heads, the patent is good; tails, it’s no good.”<sup>11</sup> The Patent Office might hire individuals to flip a coin to revoke a patent, without implicating the Appointments Clause.

On the other hand the Patent Act prescribes that “patents shall have the attributes of personal property” (35 U.S.C. § 261), and Article I, Section 8, Clause 8, of the United States Constitution requires that patents be for “securing for limited Times to ... Inventors the exclusive Right to their ... Discoveries.” From my experience and observation, I am not optimistic that a patent meets these conditions as long as a political agency holds the power to both grant and revoke it. However, if there is any hope of such an arrangement working, the adjudicator must be highly qualified, fully vetted, and independent. The current approach to selecting and supervising APJs is impossible to reconcile with any concept of property rights, and it cannot “promote Progress of Science and useful Arts.”

I also note that my pursuit of the American dream was NOT based on a public franchise system. That is not what inventors like me were taught or believed. I quit my job, drained my retirement

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<sup>11</sup> *Invalidated*, Dir. Luke Livingston, Ground Floor Video, 2018. Streaming Online Video, <https://www.amazon.com/Invalidated-Josh-Malone/dp/B07G2WGTK6> (last visited Dec. 27, 2020) at 26:46.

account, mortgaged my house, and jeopardized my family's financial security – based entirely on the expectation that if I solved a problem with a new and useful invention that I could enjoy exclusive rights to commercialize it through a United States patent. Invention patents for anyone based on merit were quintessentially American. Our founders broke with the aristocratic systems of Europe, where patents were reserved for the wealthy elite. Instead we had a merit-based system that in Section 1 of the 1790 Patent Act provided that “any person” might be granted a patent if “he, she, or they, hath or have invented or discovered any useful art, manufacture, engine, machine, or device....”

That dream was truly motivating. Fellow inventor Abraham Lincoln once noted that the patent system “added the fuel of interest to the fire of genius.”<sup>12</sup> I wouldn't just wish there were a solution to a given problem. I wouldn't merely think of a solution. I would pursue it tirelessly. Not just as a hobby. I would buy materials, hire engineers, build equipment, conduct experiments, work late into the night, raise capital. All at incalculable risk – in search of a solution that might not even exist. This could only be justified by my belief that if one of my ventures bore fruit I could own it, protect it, nurture it with a patent.

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<sup>12</sup> Adam Mossoff, *Commercializing Property Rights in Inventions: Lessons for Modern Patent Theory from Classic Patent Doctrine*, in. *Competition Policy And Patent Law Under Uncertainty: Regulating Innovation*, 346 (Geoffrey A. Manne, Joshua D. Wright, eds., 2011).

The patent system has never been perfect, but the implementation of the PTAB is the straw that broke the camel's back. There is no longer any rational basis for pursuing that dream. I don't believe it. And now I advise other inventors not to apply for a U.S. patent. No matter how carefully they follow the law, or how remarkable their invention, a panel of PTAB APJs is likely to declare their patent to be obvious if they ever attempt to use it. Invent as a hobby, yes. Invent as a philanthropist, yes. Invent to build a business, not in the USA.

### **III. APJs Have More Power Than Article III Judges**

In district court, we won a preliminary injunction against the company that stole my invention. The infringer argued against likelihood of success on the basis that my patent claims were indefinite under 35 U.S.C. § 112 because no one knows when a balloon is "substantially filled with water." Additionally they argued that my claims were invalid under 35 U.S.C. § 103 as an obvious combination of a prior art balloon filler, a garden sprinkler, and a gastric dietary balloon. The district court judge found that we were likely to prevail and ordered the infringing products enjoined. The Federal Circuit affirmed and we later prevailed in a jury trial and final judgment.

In parallel, the infringer asked the PTAB for a second bite at the apple to invalidate my patent on the same grounds. The APJs ignored the findings of the district court and invalidated my patent on the identical issue of indefiniteness. While the decision



ended up reversed on appeal, on remand the APJs refused to give preclusive effect to a final judgment of the district court on the obviousness issue. In another case, the PTAB instituted review on grounds which the district court had previously determined lacked merit.<sup>13</sup>

I am aware of hundreds of other cases where the APJs invalidated a patent that was held to be not invalid by an Article III judge.<sup>14</sup> This conflict between the branches was highlighted by a recent petition for certiorari by my friend and fellow inventor John Austermann.<sup>15</sup> His invention provided for simultaneously sending power and data over the same ethernet channel. PTAB APJs accused Mr. Austermann of claiming to have invented the technology that causes a 1930's era telephone to ring, called "phantom power." Of course, that was not his

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<sup>13</sup> In the end all of my patents survived despite intense litigation and early losses at the PTAB. The first PTAB proceeding languished for almost 4 years until terminated in a settlement. I prevailed in the other PTAB cases after I burned my patents in the first protest in USPTO history, a new Director of the Patent Office was appointed to replace the former head of patents for Google, and the lead APJ on my case was replaced. I survived and am able to participate in the present case as an *amicus* not because of the merits, but because I had sufficiently deep pockets and political influence to stand up to the company that stole my invention.

<sup>14</sup> Josh Malone and Steve Brachmann, *PTAB Errors Fatal to Hundreds of Legitimate Patents*, IPWatchdog (2018), <https://www.ipwatchdog.com/2018/01/07/ptab-errors-fatal-legitimate-patents/> (last visited Dec. 27, 2020).

<sup>15</sup> *Chrimar Systems, Inc., et al. v. Ale USA Inc.*, No. 19-1124, Petition For A Writ Of Certiorari (Mar. 10, 2020), cert. denied Jun. 29, 2020.

invention and the examiner would never have awarded him a patent for such an outrageous claim. The real judges and juries understood this, but PTAB technocrats are not bound by common sense.<sup>16</sup>

The present case is especially troubling. Petitioner Smith & Nephew challenged the validity of the '907 patent at trial and lost as detailed in the verdict form returned by the jury below:<sup>17</sup>

**II. VALIDITY**

2. Did Smith & Nephew prove by clear and convincing evidence that any claims are invalid as anticipated by the prior art?

	Yes	No
Claim 11 of the '541 patent		✓
Claim 4 of the '907 patent		✓
Claim 8 of the '907 patent		✓
Claim 16 of the '907 patent		✓
Claim 27 of the '907 patent		✓

Final judgment was entered by the district court on December 12, 2016.<sup>18</sup> The underlying dispute was resolved more than 4 years ago by an Article III court.

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<sup>16</sup> Josh Malone, *Chrimar v. ALE: Federal Circuit Approves PTAB Nullification of Previously Affirmed Jury Verdict*, IPWatchdog (2019), <https://www.ipwatchdog.com/2019/09/20/chrimar-v-ale-ptab-federal-circuit-rule-36-continue-threaten-u-s-patent-system/> (last visited Dec. 27, 2020).

<sup>17</sup> *Arthrex, Inc. v. Smith & Nephew, Inc. et al.*, ECF No. 298, 2:15-cv-01047 (E.D. Tex., Dec. 12, 2016).

<sup>18</sup> *Arthrex, Inc. v. Smith & Nephew, Inc. et al.*, ECF No. 299, 2:15-cv-01047 (E.D. Tex., Dec. 12, 2016).

Yet the PTAB charged ahead, holding its own trial on February 20, 2018, and issuing its decision on May 2, 2018, a year and half after the dispute was fully resolved by the district court.<sup>19</sup> Where the jury and Article III judge held the '907 patent not invalid, PTAB APJs subsequently held it invalid. The present case should not even be possible, as the dispute was fully resolved by the judicial branch more than 4 years ago.<sup>20</sup> At the very least, APJs ought to submit to Senate confirmation if they are to continue to exercise such powers as to unwind final judgments of Article III courts.<sup>21</sup>

Federal Circuit precedent holds that PTAB determinations have a retroactive effect on earlier determinations of district courts. However, Judge Newman's dissent explains,

The court today authorizes the Patent and Trademark Office, an administrative agency within the Department of Commerce, to override and void the final judgment of a federal Article III Court of Appeals. The panel

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<sup>19</sup> *Smith & Nephew, Inc., et al. v. Arthrex, Inc.*, No. IPR2017-00275 (P.T.A.B. May 2, 2018), Paper 36.

<sup>20</sup> *Amicus* respectfully suggests that this Court inquire of the parties why Smith & Nephew chose to continue this dispute, considering they settled the infringement case.

<sup>21</sup> Arthrex and Smith & Nephew consented to have their case tried by the magistrate judge in the district court. While somewhat confounding the analysis, it highlights another PTAB peculiarity – parties are forced to appear before “inferior” officers who are the final word of the Executive against their will.

majority holds that the entirety of these judicial proceedings can be ignored and superseded by an executive agency's later ruling.

*Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 721 F.3d 1330, 1347 (Fed. Cir. 2013) (Newman, J., dissenting).

“Inferior” officers who are the final word of the Executive should not be able to overturn the decisions of principal officers. This makes a mockery of our Constitution and system of government, eroding the public trust.

#### **IV. APJs Compared To Magistrate Judges**

My case was assigned to a magistrate judge. Like APJs, magistrates are appointed by Officers of the United States (see Chapter 43 of 28 U.S. Code). They can adjudicate all pre-trial matters and, if the parties consent, preside over trials.

The magistrate judge in my case was experienced, knowledgeable, respectable, and impartial. I didn't agree with all of his decisions, especially when he ruled that our licensing agreement precluded us from collecting lost profits for infringement. Regardless of whether the rulings were favorable or not, both parties were given due process and afforded fair consideration. This stood in stark contrast to my case before the APJs at the PTAB. The APJs had no experience in judicial matters, limited knowledge, and played an adversarial role in my case. Where the district judge presumed my patent to be valid, the APJs presumed it was not valid and

adopted unreasonable assumptions and interpretations to support their skepticism.

Paradoxically, the magistrate judge in my case who was much more qualified, is merely an “inferior” officer. All of his decisions are subject to *de novo* review by his supervisor, a Senate-confirmed federal judge.

APJs have no such supervision, contrary to the assertions of the government Intervenor who argues: 1) a principal officer appoints APJs; 2) a principal officer can remove APJs; 3) a principal officer can reassign APJs; 4) a principal officer can bind APJs through rulemaking; 5) a principal officer can designate decisions as precedential; 6) a principal officer can dismiss a petition; and 7) a principal officer can order a rehearing by panel stacked with APJs of his choosing.<sup>22</sup>

Except for the possibility of being overruled by a stacked panel, magistrate judges have every other form of supervision cited by the government Intervenor. Magistrate judges: 1) are appointed by principal officers; 2) can be removed by principal officers; 3) are assigned by principal officers; 4) are bound by rules prescribed by principal officers; 5) bound by precedential decisions of principal officers; 6) can see their case dismissed by order of a principal officer.

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<sup>22</sup> *United States v. Arthrex, Inc., et al.*, No. 19-1434, Brief For The United States (Nov. 25, 2020) at 26-30.

Every significant decision by a magistrate judge is advisory, and subject to *de novo* review by a principal officer. This is the critical missing component in the PTAB structure. In my case either party could object to the decision of the magistrate in district court. When the magistrate ruled that our licensing agreement disqualified a lost profits claim, I vigorously objected. The presiding judge – an Officer of the United States – granted oral argument and allowed me to testify. And then proceeded to rule against me. But I was heard. I had my day in court and pled my case before a full-fledged Officer of the United States. Not so at the PTAB. No matter how egregious the ruling, it is locked in by the APJs as the final decision. Article III appeals court review is no salve on this wound. Their review is the most deferential possible – substantial evidence review – the same deference appellate courts give Seventh Amendment jury verdicts.

APJs are acting as principal officers, even though they were not confirmed by the Senate and probably lack the necessary qualifications for approval.

## **V. APJ Qualifications Are Suspect**

The question arises, what is the harm in subjecting APJs to the requirements of the Appointments Clause? More than 1,200 executive branch positions require Senate confirmation<sup>23</sup> along

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<sup>23</sup> Bonnie Berkowitz and Kevin Uhrmacher, *It's not just the Cabinet: Trump's transition team may need to find about 4,100 appointees*, Washington Post (2016), <https://www.washing>

with 678 district court judges and 169 circuit court judges. There is no legitimate obstacle to confirming 250 administrative patent judges. Who are they? What are their qualifications? What qualities did the former head of patents at Google see when she hired them? Would my Texas Senators who sit on the Judiciary Committee agree with her choices? What are the Petitioner and Intervenor afraid of, and what is so bad about allowing inventors to plead our case before a legally appointed Officer of the United States?

It is possible that a large fraction of the current pool of APJs cannot pass Senate confirmation. This could be a reason that Appointments Clause protocol has been circumvented.

Studies have shown that APJs are deficient in legal experience and accomplishments. The median bench/bar experience of an APJ is 17 years compared to 40 years for a federal judge. Nearly half of APJs join the PTAB having practiced law for 10 years or less, while zero district judges had 10 years or less experience prior to appointment. Many APJs join the PTAB having only achieved associate status at their firms.<sup>24</sup>

Likewise, APJs are deficient of technical experience. This is especially problematic as they

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tonpost.com/graphics/politics/trump-transition-appointments-sc  
ale/ (last visited Dec. 27, 2020).

<sup>24</sup> Gene Quinn, *PTAB Judges Shockingly Inexperienced Compared to District Court Judges*, IPWatchdog (2018), <https://www.ipwatchdog.com/2018/03/06/ptab-judges-shockingly-inexperienced/> (last visited Dec. 27, 2020).

overrule examiners who are actual experts in the particular technology of the invention. Approximately 8,000 examiners are divided into around 320 art units in which they specialize.<sup>25</sup> APJs on the other hand take up cases outside of their field, for instance, according to the former Chief APJ – “a biochemist sitting on an electrical case.”<sup>26</sup> My research shows that 60% of APJs have no post-graduate technical experience.<sup>27</sup> I have attended many hearings and frequently observed APJs that didn’t understand the subject matter or principles underlying the invention. In my case an APJ asked my attorney how could he be certain that the first drop of water does not cause a balloon to expand. In another case an APJ struggled to distinguish sound waves from digital audio signals. Another fellow inventor lost his rights when an APJ construed his invention claiming a plasma generator “without occurrence of arcing” does not require that “arcing is completely eliminated.”<sup>28</sup> Other technologists I know who have observed PTAB hearings were similarly frustrated by the lack of

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<sup>25</sup> *USPTO Patent Classification Classes by Art Unit*, USPTO, <https://www.uspto.gov/sites/default/files/documents/caau.pdf> (last visited Dec. 28, 2020).

<sup>26</sup> Transcript of Proceedings, *Patent Public Advisory Committee Meeting, USPTO, Alexandria, Virginia, May 4, 2017*, available at [https://www.uspto.gov/sites/default/files/documents/PPAC\\_Transcript\\_20170504.pdf](https://www.uspto.gov/sites/default/files/documents/PPAC_Transcript_20170504.pdf) (last visited Dec. 27, 2020) at 246.

<sup>27</sup> *PTAB Judge Experience (Preliminary Report)*, US Inventor (2019), <https://usinventor.org/ptab-judge-experience/> (last visited Dec. 27, 2020).

<sup>28</sup> *Fujitsu Semiconductor Ltd., et al. v. Zond, LLC*, No. IPR2014-00800 (P.T.A.B. Oct. 2, 2015), Paper 55, at 12.



competency of these adjudicators who determine our fate.

## **VI. APJs Are Biased In Favor Of Invalidation**

The culture of the PTAB promotes patent invalidation. APJs have invalidated claims in 2,138 of the 2,925 patents they have reviewed – a defect rate of 84% (as of 2 months ago).<sup>29</sup> The Chief APJ in 2014 stated, “If we weren’t in part doing some ‘death squadding,’ we wouldn’t be doing what the statute calls us to do.”<sup>30</sup> In conferences I have attended APJs and former APJs have asserted that there is no presumption of validity at the PTAB – a provision found nowhere in the statute.

As an inventor hauled into the PTAB, I can attest that the APJs are not neutral adjudicators – they are without question our adversaries. I have had the misfortune of sitting through many hearings in the sprawling legal battle over my patent rights. At the PTAB hearings I sat in the gallery with one person at counsel table on my side. Counsel for the petitioner and the three APJs were arrayed against me. They assumed that I was not entitled to my patent, goading my attorney to prove otherwise. I was presumed guilty. It became even more evident when I

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<sup>29</sup> Josh Malone, *Assessing PTAB Invalidation Rates*, US Inventor (2020), <https://usinventor.org/assessing-ptab-invalidation-rates/> (last visited Dec. 27, 2020).

<sup>30</sup> Transcript of Proceedings, *Patent Public Advisory Committee Meeting, USPTO, Alexandria, Virginia, August 14, 2014*, available at [https://www.uspto.gov/sites/default/files/documents/ppac\\_transcript\\_20140814.pdf](https://www.uspto.gov/sites/default/files/documents/ppac_transcript_20140814.pdf) (last visited Dec. 28, 2020) at 129.

appealed and the Director of the Patent Office intervened to support their decision to invalidate my patent. Imagine the controversy if the Chief Judge of the Federal Circuit intervened in this case to argue as an advocate for the Respondent!

### CONCLUSION

The implementation of the 2011 America Invents Act has not worked as advertised. The Patent Office has been diverted from their crucial administrative responsibility of properly examining and granting patents on inventions. Instead, it has become a powerful tribunal for picking winners and losers in high stakes commercial disputes. It is not a faster and less expensive alternative to district court. The present case proves the point considering that it was fully resolved by the district court over 4 years ago.

Rather than providing a faster and less expensive means for correcting mistakenly issued patents, the PTAB has served to delay and complicate adjudication of patent disputes. Large, deep pocketed corporations can game this very expensive system of delay and attrition, while legitimate inventors have been virtually exiled from the patent system.

Our modern innovation system is bound by these constraints: 1) Congress has authority to write patent law; 2) the executive branch is permitted to revoke patents; 3) patents must promote progress in the useful arts by securing to inventors the exclusive right to their inventions. I am not entirely confident a solution space exists, but if it does, it requires highly

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qualified, transparently vetted and independent Officers of the United States to preside over any revocation.

I urge the Court to rule that the role of an Administrative Patent Judge is that of a Principal Officer of the United States, requiring appointment by the President with the Consent of the Senate.

Respectfully submitted,

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