

No. 20-1220

IN THE
Supreme Court of the United States

COMCAST CABLE COMMUNICATIONS, LLC,
Petitioner,

v.

PROMPTU SYSTEMS CORPORATION,
AND ANDREW HIRSHFELD, PERFORMING THE FUNCTIONS AND DUTIES OF THE DIRECTOR,
UNITED STATES PATENT AND TRADEMARK OFFICE,
Respondents.

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

REPLY BRIEF FOR PETITIONERS

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RULE 29.6 STATEMENT

The corporate disclosure statement included in the petition for a writ of certiorari remains accurate.

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REPLY BRIEF FOR PETITIONERS

This petition for a writ of certiorari should be held pending the ultimate disposition of *United States v. Arthrex, Inc.*, No. 19-1434, and then disposed of accordingly. In the alternative, the petition should be granted.

1. The government maintains that the Court’s decision in *Arthrex* will provide no basis to disturb the Federal Circuit’s disposition of these cases because Arthrex “does not present any question of forfeiture.” Opp. 8, 12, 13. That is incorrect.

Arthrex’s failure to assert a timely constitutional objection before the Board gave rise not only to the question whether the court of appeals should have reached the merits of the constitutional challenge at all, *but also* to the question whether Arthrex is entitled to the remedy of a new hearing if its Appointments Clause challenge is successful. *See* Smith & Nephew Resp. Br. 36–39, *United States v. Arthrex Inc.*, No. 19-1434 (U.S. filed Jan. 22, 2021). This Court declined to consider the first question, but the second question is very much at issue in *Arthrex*, should the Court hold that APJs are principal Officers. In that case, if the Court also holds that the remedy of a new hearing is appropriate even though Arthrex presented its Appointments Clause challenge for the first time on appeal, a remedy of a new hearing before a properly appointed panel of APJs would be appropriate in these cases as well.

The government ignores the Federal Circuit’s forfeiture holding with respect to Arthrex’s individual remedy. The court of appeals held that vacating and

remanding for a new hearing was an appropriate remedy because Arthrex “timely raised its challenge before the first body capable of providing it with the relief sought.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1339 (Fed. Cir. 2019). Arthrex’s challenge was timely because it would have been futile for Arthrex to have brought its challenge before the Board. *Ibid.* The Federal Circuit explained that the Patent Office could not provide the relief Arthrex sought: to have its case decided by a constitutionally appointed Board. *Ibid.* These considerations apply equally to patent owners and petitioners.

This Court also recently held that petitioners challenging their adverse Social Security Administration (“SSA”) benefit determinations were entitled to new hearings despite not raising their challenges before the agency. This Court based its decision on, among other things, petitioners’ purely constitutional claims about which the SSA ALJ had no special expertise and for which they could provide no relief. *Carr v. Saul*, 141 S. Ct. 1352, 1356, 1362 (2021). These factors apply also to participants in PTAB proceedings.

If patent owners who present an Appointments Clause challenge on appeal are entitled to a new hearing under *Arthrex*, petitioners should be as well.

2. In these cases, the Federal Circuit erred in failing to address Comcast’s constitutional challenge and in failing to vacate and remand the Board’s decisions under *Arthrex*, as it has done for other litigants who, like Comcast, presented such challenges in their opening briefs.

The Federal Circuit found Comcast’s constitutional challenge “unpersuasive,” Pet. App. 6a; *id.* at

13a, based only on its previous decision (not cited in these cases) that the remedy of a new hearing under *Arthrex* is available only to patent owners, not IPR petitioners. *Ciena Corp. v. Oyster Optics, LLC*, 958 F.3d 1157, 1162 (Fed. Cir. 2020). The court of appeals erred. IPR petitioners have the same constitutional rights and remedies as patent owners. If the APJs who decided these cases were not constitutionally appointed, that structural defect in the tribunal’s composition affects Comcast no less than patent owner Promptu.

The government’s defense of the Federal Circuit’s decision to categorically forgive all patent owners’ forfeiture but not that of petitioners fails. Petitioners should not be treated differently than patent owners merely because petitioners invoked the Board’s jurisdiction by requesting IPR. Separation of powers concerns may be “diminished” in some instances where it is the party’s decision to invoke the forum, *Opp.* 10 (quoting *Commodity Futures Trading Comm’n v. Schor*, 478 U.S. 833, 855 (1986)), but, as this Court has explained, the fact that petitioners “had the election to proceed in their forum of choice” does not “necessarily save the scheme from constitutional attack.” *Commodity Futures*, 478 U.S. at 855 (emphasis added) (citing *N. Pipeline Const. Co. v. Marathon Pipe Line Co.*, 458 U.S. 50 (1982)).

The Federal Circuit’s bright-line rule that patent owners get case-specific relief, but petitioners do not, has no basis in the Appointments Clause, the Patent Act, or principles of equitable remedy. It should be rejected.

3. These cases provide a suitable vehicle for clar-

ifying whether IPR petitioners are entitled to the remedy of a new hearing. The issue is squarely presented. And, contrary to the government's arguments, Opp. 13–14, Comcast's arguments on forfeiture have been consistent: If the APJs who decided these cases were not constitutionally appointed, that structural defect in the tribunal's composition affects Comcast no less than patent owner Promptu. Regardless, this Court's decision in *Arthrex* will be binding on the Federal Circuit in these cases. The Court should therefore dispose of these cases accordingly following its decision in *Arthrex*.

CONCLUSION

The petition for a writ of certiorari should be held pending disposition of *United States v. Arthrex, Inc.*, No. 19-1434, and then disposed of accordingly. In the alternative, this petition should be granted.

Respectfully submitted.

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