No. 20-1631

In the

Supreme Court of the United States

ANDREW HIRSHFELD, ACTING UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,

Petitioner,

v.

IMPLICIT, LLC, ET AL.,

Respondents.

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

MEMORANDUM IN RESPONSE FOR IMPLICIT, LLC

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September 10, 2021

QUESTION PRESENTED

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.

CORPORATE DISCLOSURE STATEMENT

Respondent Implicit, LLC, states pursuant to this Court's Rule 29.6 that it has no parent corporation and no publicly-held corporation owns 10% or more of the stock of Respondent.

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INTRODUCTION

Respondent Implicit, LLC respectfully files this response to the Government's petition for a writ of certiorari from the decisions of the United States Court of Appeals for the Federal Circuit in *Implicit, LLC v. Sonos, Inc.*, Nos. 2020-1173 and 2020-1174 (Fed. Cir.). The Federal Circuit granted Implicit, LLC's motion to vacate the underlying decision of the Patent Trial and Appeal Board ("the Board") on the basis of the holding in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), and remanded to the Board for further proceedings.

After the Federal Circuit's remand decision, Petitioner Andrew Hirshfeld, performing the functions and duties of the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office, filed a petition for a writ of certiorari requesting that the consolidated cases "be held pending the Court's decision in *United States v. Arthrex, Inc.*," and then "disposed of as appropriate in light of that decision." Pet. 10.

United States v. Arthrex, 141 S. Ct. 1970 (2021), was decided on June 21, 2021, vacating and remanding the case to the Federal Circuit for further proceedings consistent with this Court's opinion. The result, respectfully, should be the same here. Given the violation of the Appointments Clause found in *Arthrex*, Implicit, LLC is entitled to a remand for review of the Board's decisions before a

constitutionally appointed principal officer, the Director of the U.S. Patent and Trademark Office.

STATEMENT OF THE CASE

The U.S. Patent and Trademark Office intervened pursuant to 35 U.S.C. 143 in the court of appeals case of *Implicit, LLC v. Sonos, Inc.*, Nos. 2020-1173 and 2020-1174 (Fed. Cir.). On December 23, 2020, the Federal Circuit granted Implicit, LLC's motion for remand, returning this case to the Board based on its earlier decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019).

This Court granted three petitions for a writ of certiorari to review the Federal Circuit's Appointments Clause holding in *Arthrex, ibid,* and the court's decision to sever the application of statutory removal protections for administrative patent judges. See *United States v. Arthrex, Inc.*, No. 19-1434 (argued Mar. 1, 2021).

In May 2021, Petitioner filed this consolidated petition which included matters where the court of appeals had vacated and remanded one or more decisions of the Board based on *Arthrex*. The Federal Circuit's decision in *Implicit, LLC v. Sonos, Inc.*, Nos. 2020-1173 and 2020-1174 (Fed. Cir.) was included among them. The instant petition states that, "because this Court's resolution of *Arthrex* may affect the proper disposition of these cases, this petition should be held pending the resolution of the three consolidated cases in *Arthrex*, and then disposed of as appropriate in light of the Court's decision in those

cases." Pet. 9. This Court docketed the petition the same day, on May 21, 2021.

Arthrex has now been decided by the Court, issuing its opinion on June 21, 2021. The Court vacated the decision and remanded the case to the Federal Circuit for further proceedings consistent with its opinion. *Arthrex*, 141 S. Ct. at 1988.

On August 11, 2021, the Court directed that Implicit, LLC submit a response in this case.

ARGUMENT

The petition requested that these consolidated matters be held pending the resolution of *Arthrex*, and then disposed of as appropriate. Pet. 9. That opinion has now issued, giving guidance regarding the matters pending here.

This Court held that "[d]ecisions by APJs must be subject to review by the Director." *Arthrex*, 141 S. Ct. at 1986. The Court further determined that in order to cure the constitutional violation found, "[t]he appropriate remedy is a remand to the Acting Director for him to decide whether to rehear the petition . . . ." *Id.* at 1987.

This Court's disposition of *Arthrex* should lead to the same result here. Implicit, LLC should similarly benefit from vacatur and remand to the Federal Circuit for further proceedings consistent with the holding of the Court—namely, review of the Board's

decisions before a constitutionally appointed principal officer, the Director of U.S. Patent and Trademark Office.

CONCLUSION

For these reasons, the petition for a writ of certiorari should be granted, vacated and remanded for further consideration in light of *United States v. Arthrex*, 141 S. Ct. 1970 (2021).

Respectfully submitted,

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