

No. 20-1654

In the
Supreme Court of the United States

SONOS, INC.,

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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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.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED.....	i
CORPORATE DISCLOSURE STATEMENT.....	ii
TABLE OF CONTENTS	iii
TABLE OF AUTHORITIES.....	iv
INTRODUCTION.....	1
STATEMENT OF THE CASE	2
ARGUMENT.....	3
CONCLUSION	3

TABLE OF AUTHORITIES

	Page(s)
Federal Cases	
<i>Arthrex, Inc. v. Smith & Nephew, Inc.</i> , 941 F.3d 1320 (Fed. Cir. 2019)	1, 2, 3
<i>Implicit, LLC v. Sonos, Inc.</i> , Nos. 2020-1173 and 2020-1174 (Fed. Cir.)	1, 2
<i>United States v. Arthrex, Inc.</i> 141 S. Ct. 1970 (2021)	1, 2
Federal Statutes	
35 U.S.C. 143	2
Constitutional Provisions	
Appointments Clause	1, 2

INTRODUCTION

Respondent Implicit, LLC respectfully files this response to Sonos Inc.’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, Sonos, Inc. filed a petition for a writ of certiorari requesting “that the Court hold this petition and dispose of it as appropriate in light of this Court’s ultimate determination in *Arthrex*.” Pet. 1.

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 certiorari petition. The instant petition states that, "[t]he petition for a writ of certiorari should be held pending disposition of *Smith & Nephew, Inc., et al. v. Arthrex, Inc., et al.* (U.S. No. 19-1452) and then disposed of accordingly." Pet. 5. This Court docketed the petition on May 26, 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

Sonos, Inc. requested that this matter be “held pending final disposition of *Arthrex*, and then disposed of as appropriate.” Pet. 4. That opinion has now issued, giving guidance regarding the case 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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