

No.

IN THE
Supreme Court of the United States

RPM INTERNATIONAL INC., RUST-OLEUM
CORPORATION,

Petitioners,

v.

ALAN STUART, TRUSTEE FOR THE CECIL G.
STUART AND DONNA M. STUART REVOCABLE
LIVING TRUST AGREEMENT, CDS
DEVELOPMENT, LLC

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the court of appeals erred by vacating and remanding the case based on an Appointments Clause, U.S. Const. Art. II, § 2, Cl. 2, challenge raised for the first time in a pre-briefing motion before the court of appeals.

2. Whether the court of appeals erred by holding administrative patent judges of the United States Patent and Trademark Office Patent Trial and Appeal Board are principal officers under the Appointments Clause.

PARTIES TO THE PROCEEDING BELOW

RPM International Inc. and Rust-Oleum Corporation were petitioners in the proceeding before the Patent Trial and Appeal Board and cross-appellants in the court of appeals.

Respondents Alan Stuart and CDS Development LLC were the patent owners in proceedings before the Patent Trial and Appeal Board and the appellants in the court of appeals.

The United States of America was an intervenor in the court of appeals.

RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, petitioners RPM International Inc. and Rust-Oleum Corporation state that RPM International Inc. is the ultimate parent corporation of Rust-Oleum Corporation and no other publicly held corporation owns 10% or more of the stock of either petitioner.

RELATED PROCEEDINGS

There are no proceedings directly related to this case within the meaning of Rule 14.1(b)(iii).

TABLE OF CONTENTS

QUESTIONS PRESENTED	i
PARTIES TO THE PROCEEDING BELOW	ii
RULE 29.6 STATEMENT.....	iii
RELATED PROCEEDINGS.....	iv
TABLE OF CONTENTS.....	v
TABLE OF AUTHORITIES.....	vi
TABLE OF APPENDICIES.....	viii
PETITION FOR A WRIT OF CERTOARI	1
OPINIONS BELOW	2
JURISDICTION	2
CONSTITUTIONAL AND STATUORY.....	3
PROVISIONS INVOLVED	3
STATEMENT OF THE CASE	3
ARGUMENT	4
I. BY FAILING TO RAISE IT WITH THE BOARD, STUART FORFEITED ITS APPOINTMENTS CLAUSE CHALLENGE	5
II. THE ADMINISTRATIVE PATENT JUDGES IN THIS CASE WERE INFERIOR OFFICERS.....	6
III. THIS COURT’S DISPOSITION OF THE CERTIORARI PETITIONS IN <i>ARTHREX</i> MAY AFFECT THE APPROPRIATE DISPOSITION OF THIS PETITION	7
CONCLUSION.....	8

TABLE OF AUTHORITIES

CASES

<i>Arthrex, Inc. v. Smith & Nephew, Inc.</i> , 941 F.3d 1320 (Fed. Cir. 2019).....	<i>passim</i>
<i>Edmond v. United States</i> , 520 U.S. 651 (1997)	6
<i>Freytag v. Commissioner of Internal Revenue</i> , 501 U.S. 868 (1991)	6
<i>Polaris Innovations Limited v. Kingston Tech. Co.</i> , 792 F. App'x 820 (Fed. Cir. 2020)	6
<i>Rust-Oleum Corp. et al v. Alan K. Stuart, et al.</i> , IPR2017-02158 (PTAB Apr. 8, 2019).....	1
<i>Stuart v. RPM Int'l, Inc.</i> , 2019-1994, -2238 (Fed. Cir. Jan. 21, 2020).....	1, 4
<i>Stuart v. RPM Int'l, Inc.</i> , 2019-1994, -2238 (Fed. Cir. Apr. 8, 2020)	1, 4
<i>Stuart et al. v. Rust-Oleum Corp. et. al.</i> , 16-cv-622-EAS-CMV (S.D. Ohio)	1
<i>Wood v. Milyard</i> , 566 U.S. 463 (2012)	5

CONSTITUTIONAL PROVISIONS

U.S. Const. Art. II, § 2, Cl. 2	<i>passim</i>
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STATUTES:

28 U.S.C. § 1254(1).....	2
35 U.S.C. § 6(c)	6
35 U.S.C. § 314(a).....	6

TABLE OF APPENDICIES

Appendix A, Court of Appeals Filings..... 1a

Court of Appeals Decision on Rehearing..... 1a-2a

Court of Appeals Decision on Remand..... 3a-4a

Petitioners Reply to Stuart’s Response 5a-14a

Stuart’s Response to Petitioners Response ... 15a-22a

Petitioners Response to Stuart’s Motion 23-35a

USPTO Response to Stuart’s Motion 36a-41a

Court of Appeals Certification..... 42a-43a

Stuart’s Court of Appeals Motion..... 44a-52a

Appendix B, PTAB Filings 53a

Stuart’s Notice of Appeal 53a-117a

PTAB Decision on IPR 118a-165a

Appendix C, Constitutional and Statutory Provisions Involved 166a-167a

PETITION FOR A WRIT OF CERTIORARI

Petitioners RPM International Inc. and Rust-Oleum Corporation (collectively, “Petitioners”) prevailed in one of the many *inter partes* reviews proceedings now caught in the wake of uncertainty based on *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019) (“*Arthrex*”). That decision, currently on *certiorari* to this Court, was in error, and should be reversed by this Court. Both cases should be remanded to the Federal Circuit for review on the merits.

In particular, this case arises from the judgement of the Patent Trial and Appeal Board (the “Board”) that Respondents Alan Stuart and CDS Development LLC’s (“Stuart”) U.S. Patent No. 6,669,991 (the “’991 patent”) is unpatentable. *Rust-Oleum Corporation et al v. Alan K. Stuart, et al.*, IPR2017-02158 (PTAB Apr. 8, 2019).

Stuart sued Petitioners for infringement of the ’991 Patent and the district court stayed that litigation pending a decision by the Board. *Alan K. Stuart et al. v. Rust-Oleum Corporation et al.*, 16-cv-622-EAS-CMV (S.D. Ohio). The Board’s judgment of unpatentability is a complete defense to Stuart’s lawsuit against Petitioners.

The court of appeals, however, never reached the merits of the Board’s judgment. Instead, the court of appeals granted Stuart’s pre-briefing motion to vacate and remand the Board’s judgment based on *Arthrex*. *Stuart v. RPM Int’l, Inc.*, Nos. 2019-1994 and 2019-2238 (Fed. Cir. Jan. 21, 2020) (Pet. App. 3a-4a). The court of appeals also denied Petitioners’ request for rehearing on those decisions. *Stuart v. RPM Int’l, Inc.*,

Nos. 2019-1994 and 2019-2238 (Fed. Cir. Apr. 8, 2020) (Pet. App. 1a-2a). But, Stuart never raised its Appointments Clause challenge before its underlying motion in those matters.

The court of appeals' decision in *Arthrex* raises significant issues. Three petitions for writ of certiorari have been filed in *Arthrex* (Nos. 19-1434, 19-1452, and 19-1458). Because this Court's disposition of the petitions for a writ of certiorari in *Arthrex* may affect the proper disposition of this petition for a writ of certiorari, Petitioners submit that this Court should hold this petition pending this Court's disposition of the petitions in *Arthrex*, and then dispose of this petition as appropriate in light of the Court's decision in that case.¹

OPINIONS BELOW

The order of the court of appeals (Pet. App. 3a-4a) is unreported. The court of appeals' order denying rehearing *en banc* (Pet. App. 1a-2a) is unreported. The Board's final written decision (Pet. App. 118a-165a) is unreported.

JURISDICTION

The court of appeals entered its judgment on January 21, 2020 (Pet. App. 3a-4a), and denied a timely petition for rehearing on April 8, 2020 (Pet.

¹ The government has filed a consolidated petition for writ of certiorari in this case and other cases (No. 20-74). On August 25, 2020, Petitioners filed a brief in that matter.

App. 1a-2a). This Court has jurisdiction under 28 U.S.C. § 1254(1).²

CONSTITUTIONAL AND STATUORY PROVISIONS INVOLVED

The Appointments Clause as well as select pertinent statutory provisions are reproduced in the Appendix attached hereto. Pet. App. 166a-167a.

STATEMENT OF THE CASE

This case is a run-of-the-mill *inter partes* review now caught in the wake of uncertainty caused by *Arthrex*. In its final written decision, the Board concluded that claims 1-11, 14, and 20-24 of the '991 patent are unpatentable as anticipated. Pet. App. 118a-165a. That judgment is a complete defense to Stuart's infringement lawsuit against Petitioners.

However, the court of appeals never reviewed the Board's judgment on its merits. Rather, on November 20, 2019, Stuart filed its motion to vacate and remand the final written decision based on *Arthrex*. Pet. App. 44a-52a. Stuart's motion was the first time that it raised an Appointments Clause challenge in the *inter partes* review. Stuart failed to argue any Appointments Clause challenge to the Board, nor did it even raise its Appointments Clause challenge in its Notice of Appeal before the Board and the court of appeals. Pet. App. 53a-117a.

² Petitioners also note that this petition is timely in light of this Court's March 19, 2020 Order extending the deadline to file any petition for a writ of certiorari to 150 days from the date of the order denying a timely petition for rehearing.

On November 21, 2019, the court of appeals certified Stuart's constitutional challenge to the Attorney General. Pet. App. 42a-43a. The United States Patent and Trademark Office (the "Office") responded to Stuart's motion on December 27, 2019. Pet. App. 36a-41a. Stuart did not reply to the Office's response.

On December 27, 2019, Petitioners also filed a response to Stuart's motion and its own motion to stay the appeal and cross-appeal pending the resolution of *Arthrex* in the court of appeals. Pet. App. 23a-35a. Stuart responded to Petitioners' motion to stay (Pet. App. 15a-22a), and Petitioners replied to that response (Pet. App. 5a-14a).

Without the benefit of briefing or argument on why *Arthrex* should not be extended to this case, on January 21, 2020 the court of appeals entered an order remanding this case back to the Board based on *Arthrex*. Pet. App. 3a-4a. On April 8, 2020, the court of appeals denied Petitioners' and the government's petitions for rehearing. Pet. App. 1a-2a.

ARGUMENT

There are both procedural and substantive issues raised by the court of appeals application of *Arthrex* to this case that warrant and compel this Court's review.

However, Petitioners submit that the petition for a writ of certiorari should be held pending this Court's disposition of the petitions for writ of certiorari in *Arthrex* and any further proceedings in this Court, and then disposed of as appropriate in light of the Court's decision in that case.

I. BY FAILING TO RAISE IT WITH THE BOARD, STUART FORFEITED ITS APPOINTMENTS CLAUSE CHALLENGE

Stuart waived its right to challenge the appointment of the APJs in this case. And even if *Arthrex* compels a similar result for similarly situated-cases, this case is not that.

Instead, unlike the appellant in *Arthrex*, Stuart did not raise its Appointments Clause challenge in its Notice of Appeal before the Board and the court of appeals (Pet. App. 53a-117a), nor did it submit any briefing on the issue before the court of appeals, nor has it presented any oral argument on the issue before the court of appeals.

The sum total of Stuart's belated invocation of the Appointments Clause for this case was one paragraph in a pre-briefing motion on appeal:

Stuart hereby raises a challenge to the constitutionality of the Appointments Clause for the APJs assigned to IPR2017-02158. At the time of the final decision in this case, these APJs were principal officers of the United States who were not appointed by the President and confirmed by the Senate. Because these APJs were not properly appointed and confirmed, the APJs lacked the constitutional authority to issue a final decision in this case. In accordance with *Arthrex*, Stuart respectfully requests this Court vacate the Board's final decision and remand this case to the

PTAB with an order to empanel a new panel of APJs for a new hearing.

Pet. App. 44a-52a.

That is simply not enough to preserve a constitutional challenge. *See, e.g., Wood v. Milyard*, 566 U.S. 463, 473 (2012) (“Due regard for the trial court’s processes and time investment is also a consideration appellate courts should not overlook.”).

Stuart has failed to articulate any justification to extend the court of appeals discretion to hear Appointments Clause challenges in every case, much less cases where litigants, like Stuart, do far, far less than the appellant in *Arthrex*. 941 F.3d at 1340.

Thus, this Court should not excuse Stuart’s failure to timely raise an Appointments Clause Challenge and should review this question.

II. THE ADMINISTRATIVE PATENT JUDGES IN THIS CASE WERE INFERIOR OFFICERS

Similar to *Freytag v. Commissioner of Internal Revenue*, 501 U.S. 868 (1991), and *Edmond v. United States*, 520 U.S. 651 (1997), the APJs in this case were inferior officers. *See, e.g., Polaris Innovations Limited v. Kingston Tech. Co.*, 792 F. App’x 820 (Fed. Cir. 2020) (Hughes, J., concurring) (discussing *Freytag* and *Edmond* and noting that APJs are inferior officers under both cases).

The Director of the Office, a principal officer, directs and supervises the work of the APJs. The Director, for example, has unlimited authority under 35 U.S.C. § 314(a) to institute *inter partes* reviews at

all, and unlimited authority under 35 U.S.C. § 6(c) to designate APJs to a Board panel, which includes the authority to remove APJs from panels. Further, the Director has adequate means of control over the substance of Board decisions, even though the Director does not have unilateral authority to remove APJs from judicial service.

The APJs were inferior officers in this case, the court of appeals in *Arthrex* incorrectly decided this key issue, and this Court should review this question as well.

III. THIS COURT'S DISPOSITION OF THE CERTIORARI PETITIONS IN *ARTHREX* MAY AFFECT THE APPROPRIATE DISPOSITION OF THIS PETITION

There are three pending petitions for a writ of certiorari in *Arthrex* (Nos. 19-1434, 19-1452, and 19-1458). Some of the questions presented in those petitions are substantively identical to the questions presented by Rust-Oleum in this petition. Accordingly, the Court's disposition of the petitions for a writ of certiorari in *Arthrex* may affect the proper disposition of Rust-Oleum's petition.

CONCLUSION

The petition for a writ of certiorari should be held pending this Court's disposition of the petitions for writs of certiorari in *Arthrex* (Nos. 19-1434, 19-1452, and 19-1458) and any further proceedings in this Court, and then disposed of as appropriate in light of the Court's decision in that case.

Respectfully submitted,

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