

No. 20-679

In the
Supreme Court of the United States

MICRON TECHNOLOGY, INC.
Petitioner,

v.

NORTH STAR INNOVATIONS, INC.
Respondent.

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

BRIEF IN OPPOSITION OF RESPONDENT,
NORTH STAR INNOVATIONS, INC.

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QUESTIONS PRESENTED

1. Whether the Federal Circuit Court of Appeals properly vacated and remanded the Final Written Decisions of the Patent Trial and Appeal Board of the United States Patent and Trademark Office on the basis that the administrative patent judges who issued those decisions were principal officers for purposes of the Appointments Clause, U.S. Const. art. II, § 2, cl. 2, who were required to be appointed by the President with the advice and consent of the Senate.
2. Whether the Federal Circuit Court of Appeals properly exercised its discretion to allow an Appointments Clause challenge to be raised by a patent owner for the first time on appeal, and even though patent owner did not raise a separate Appointments Clause challenge with respect to a Final Written Decision issued by the same panel of Administrative Patent Judges in a separate *Inter-Partes* Review proceeding.

CORPORATE DISCLOSURE STATEMENT

Respondent North Star Innovations, Inc. is a wholly-owned subsidiary of Wi-Lan Technologies Inc., which, in turn, is a wholly-owned subsidiary of Wi-LAN Inc., which, in turn, is a wholly-owned subsidiary of Quarterhill Inc. No publicly held company owns 10% or more of the stock of Quarterhill Inc.

RELATED PROCEEDINGS

North Star Innovations, Inc. v. Micron Technology, Inc., Nos. 20-1295, -1296 (Fed. Cir.) (dispositive order vacating and remanding the Patent Trial and Appeal Board's Final Written Decision entered Mar. 30, 2020; order denying rehearing and rehearing en banc entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., No. 20-1297 (Fed. Cir.) (dispositive order vacating and remanding the Patent Trial and Appeal Board's Final Written Decision entered Mar. 30, 2020; order denying rehearing and rehearing en banc entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., Nos. 20-1298, -1299 (Fed. Cir.) (dispositive order vacating and remanding the Patent Trial and Appeal Board's Final Written Decision entered Mar. 30, 2020; order denying rehearing and rehearing en banc entered June 16, 2020)

North Star Innovations, Inc. v. Micron Technology, Inc., No. 17-cv-506 (D. Del.) (pending)

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INTRODUCTION

This petition seeks review of the decisions of the United States Court of Appeals for the Federal Circuit vacating and remanding Final Written Decisions issued by the Patent Trial and Appeal Board (“the Board”) in *inter-partes* review (“IPR”) proceedings commenced by Petitioner, Micron Technology, Inc. (“Micron”). Micron commenced six separate IPR proceedings to challenge various claims recited in four patents owned by North Star Innovations, Inc. (“North Star”). In five of those proceedings involving three of the four patents, the Board determined all challenged claims to be unpatentable. In the sixth proceeding, the Board determined only some of the challenged claims of the fourth patent to be unpatentable, but determined that Micron had failed to demonstrate the unpatentability of certain other claims. North Star appealed the Final Written Decisions in the five IPR proceedings in which the Board determined that all challenged claims of the three patents were unpatentable. Micron appealed the Final Written Decision in the sixth IPR proceeding in which the Board determined only some of the challenged claims of the fourth patent to be unpatentable, and North Star cross-appealed.

On appeal, North Star moved the Federal Circuit to vacate and remand the Final Written Decisions in the five IPR proceedings invalidating all of the challenged claims of the three patents, pursuant to the Federal Circuit’s decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed.

Cir. 2019). In *Arthrex*, the Federal Circuit held that the administrative patent judges comprising the Board had been appointed in violation of the Appointments Clause of art. II, § 2, cl. 2, of the United States Constitution. The Federal Circuit, following its decision in *Arthrex*, and over the opposition of both Micron and the Director of the United States Patent and Trademark Office as Intervenor, granted North Star's motions to vacate and remand.

Micron now petitions this Court to review the decisions of the Federal Circuit to grant North Star's motions for vacatur and remand, explicating three different reasons, all based on forfeiture. First, Micron asserts that North Star forfeited its Appointments Clause challenges by failing to raise them before the Board during the course of the IPR proceedings, prior to the Board issuing its Final Written Decisions. Second, Micron asserts that North Star forfeited its challenges by failing to request rehearing from the Board, which it still had time to do even after the Federal Circuit issued its *Arthrex* decision. And third, Micron asserts that North Star forfeited its Appointments Clause challenges with respect to the five IPR proceedings in which all of the challenged claims were invalidated because it chose not to raise an Appointments Clause challenge with respect to the sixth proceeding in which only some of the claims were determined to be unpatentable.

Just as in *Arthrex*, the Federal Circuit appropriately exercised its discretion to decide this

question of exceptional importance, even though it had not been raised before the Board, particularly where the Board was not capable of providing any meaningful relief in response to a challenge that its own judges were unconstitutionally appointed. North Star did not forfeit its challenges by failing to request rehearing from the Board even after the Federal Circuit issued its *Arthrex* decision because the Board's decision whether even to grant such a request, let alone have it considered by a new panel of judges, would have been entirely discretionary. And Micron certainly cannot point to any authority that in order to be able to assert a constitutional challenge in cases that it lost it must also do so in a separate case that it at least partially won.

Moreover, this Court has recently granted certiorari review of the *Arthrex* decision, on two of the three questions presented in that case. This Court denied certiorari on the third question, the one relating to forfeiture as a result of the Appointments Clause challenge not having been raised before the Board. Micron's asserted reasons for granting its own petition, separate and apart from the petition already granted in *Arthrex*, all rest on forfeiture. Micron's present petition asserts no basis for this Court to reconsider what it decided only a couple of months ago.

STATEMENT OF THE CASE

Micron is petitioning for a writ of certiorari from the Federal Circuit's judgments in Fed. Cir. Nos. 20-1295, 20-1296, 20-1297, 20-1298, and 20-1299. Those appeals stem from five IPR proceedings, initiated by Micron, involving United States Patent Nos. 6,127,875 ("the '875 patent"), 6,465,743 ("the '743 patent"), and 7,171,526 ("the '526 patent") owned by North Star. These IPR proceedings concluded with Final Written Decisions issued by the Board on October 22, 2019 for the '875 patent and October 24, 2019 for the '526 and '743 patents.

On October 31, 2019, the Federal Circuit issued its decision in *Arthrex*, holding that administrative patent judges are principal officers for the purposes of the Appointments Clause. *Arthrex*, 941 F.3d at 1327-35. Because they were not appointed by the President with the advice and consent of the Senate, the Federal Circuit held that the structure of the Board under Title 35 is unconstitutional. *Id.* at 1335. To cure this constitutional infirmity, the Federal Circuit severed Title 5's removal protections as applied to administrative patent judges. *Id.* at 1337-38. The Federal Circuit also exercised its discretion to review the Appointments Clause challenge even though it had not been raised during the agency proceedings, and because the Board was incapable of providing any meaningful relief in response to the structural constitutional challenge. *Id.* at 1327, 1339-40. Finally, the Federal Circuit vacated and remanded the Board's decision, holding that a new panel of

administrative patent judges must be designated and a new hearing granted. *Id.* at 1340.

Subsequent to the *Arthrex* decision, North Star filed appeals to the Federal Circuit from the Final Written Decisions concerning the '875, '526, and '743 patents. Prior to briefing, North Star moved to have the Final Written Decisions vacated and remanded for rehearing based on the *Arthrex* decision. The Director of the United States Patent and Trademark Office intervened. Over the opposition of both Micron and the Director, the Federal Circuit nevertheless granted North Star's motions and ordered vacatur of the Final Written Decisions and remand to the Board for rehearing by new panels of administrative patent judges consistent with *Arthrex*. Micron's petitions for rehearing and en banc rehearing of the orders were denied.

In the time since the Federal Circuit remanded the cases involved in Micron's petition, this Court has now granted certiorari to review the *Arthrex* decision. *See Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 19-1458. Specifically, the Court will review (1) whether the PTO's administrative patent judges are principal officers for purposes of the Appointments Clause and, (2) if so, whether the Federal Circuit's *Arthrex* cure—severing APJs' Title 5 employment protections—properly cured any constitutional defect. *See* Mem. for the United States at 6-7, *Arthrex*, No. 19-1458 (July 22, 2020). But this Court declined to hear the third question presented: Whether the Federal Circuit erred in hearing

Arthrex's Appointments Clause challenge for the first time on appeal.

Micron's petition references a sixth IPR proceeding regarding United States Patent No. 5,943,274 ("the '274 patent"). In that proceeding, the Board determined certain of the challenged claims to be unpatentable, but upheld the validity of certain other claims.¹ Micron appealed the Final Written Decision in this IPR proceeding to the Federal Circuit. *See* Fed. Cir. No. 20-1303. North Star subsequently cross-appealed aspects of the Final Written Decision and the appeal is currently proceeding on the merits at the Federal Circuit. However, that appeal has not reached a final disposition and is not among the cases that Micron is currently petitioning for a writ of certiorari.

Micron has now filed this petition in its own right seeking certiorari review of the Federal Circuit's decision to vacate and remand North Star's appeals. As set forth below, Micron has shown no reason why this Court should not deny the forfeiture questions asserted by Micron just as it denied the forfeiture question in *Arthrex*.

REASONS FOR DENYING CERTIORARI

With respect to the *Arthrex* decision, Micron merely asserts that the Federal Circuit's holding that

¹ The Board comprised the same panel of judges in the IPR proceedings relating to the '274, '875 and '743 patents, and a different panel in the IPR proceeding relating to the '526 patent.

administrative patent judges had been unconstitutionally appointed was erroneous, since those judges were inferior officers. Pet. at 9. As Micron acknowledges, this question is already under review by this Court, and Micron's petition offers nothing new on this issue.

The only question that Micron attempts separately to put back in front of this Court for review is whether North Star forfeited its right to assert an Appointments Clause challenge in the first place. Undaunted by the fact that this Court has already declined to review the question of whether an Appointments Clause challenge that is not first presented to the Board is forfeited, Micron argues that the facts of this case present more compelling reasons for this Court to consider Micron's forfeiture argument.

Micron first argues, as was argued in *Arthrex*, that North Star was required to present its Appointments Clause challenge to the Board in order to preserve its right to assert that challenge on appeal. *Id.* at 10-11. But beyond reiterating the same argument that was asserted in *Arthrex*, Micron argues that North Star further forfeited its constitutional challenge because it did not seek rehearing from the Board after the Federal Circuit issued its *Arthrex* decision, even though it still had time to do so. *Id.* at 11. Micron urges that North Star had available to it "multiple options" for seeking rehearing before a new panel of judges who had been prospectively declared constitutional under *Arthrex*. *Id.*

These “multiple options” would have included seeking a rehearing in front of a new panel of the Board under 37 C.F.R. § 42.71(d)(2). Pet. at 5, 11-12. But submitting a request for rehearing pursuant to 37 C.F.R. § 42.71(d)(2) would have done little good. Any such request for rehearing would have been submitted to the same panel that issued the original decision. *See id.* This Court has been unequivocal that the “appropriate remedy for an adjudication tainted with an appointments violation” is a new hearing in front of new judges who have not already issued a decision on the merits of the case, since a judge who has already adjudicated a matter “cannot be expected to consider the matter as though he had not adjudicated it before.” *Lucia v. SEC*, 138 S. Ct. 2044, 2055 (2018).

Micron also argues that North Star could have petitioned the Director to exercise his authority under 35 U.S.C. § 6(c) and 37 C.F.R. § 1.181(a)(3) to designate a new panel. Pet. at 5, 11. This, too, would have provided a hollow remedy to North Star. As Micron acknowledged before the Federal Circuit, the authority of the Director to grant a new panel is entirely discretionary, and the Director would have had the discretion to refuse to grant a hearing in front of a new panel. C.A. 20-1925, Micron’s Opp’n at 11, ECF No. 17. Indeed, in numerous proceedings where parties have sought remand and rehearing before a new panel of judges pursuant to *Arthrex*, the Director has consistently intervened and actively opposed such a request, as he did in the present

case.² In light of these oppositions, North Star would certainly not have had any assurance that had it applied directly to the Director for the same relief mandated by *Arthrex*, the Director would have exercised his discretion to grant that request. Micron would nevertheless require North Star to forego the path of having the remedy mandated by the Federal Circuit in the hope that the Director would grant the same remedy *in his discretion*.³

² See *VirnetX Inc. v. Cisco Sys., Inc.*, No. 2019-1671 (Fed. Cir. Jan. 24, 2020); *VirnetX Inc. v. Cisco Sys., Inc.*, No. 2019-1725 (Fed. Cir. Jan. 24, 2020); *Concert Pharms., Inc. v. Incyte Corp.*, No. 2019-2011 (Fed. Cir. Jan. 24, 2020); *Agrofresh, Inc. v. UPL Ltd.*, No. 2019-2243 (Fed. Cir. Jan. 24, 2020); *Vaporstream, Inc. v. Snap Inc.*, Nos. 2019-2231, 2019-2290, 2019-2337, 2020-1030 (Fed. Cir. Jan. 23, 2020); *Document Security Sys., Inc. v. Seoul Semiconductor Co.*, No. 2019-2281 (Fed. Cir. Jan. 23, 2020); *Vilox Techs., LLC v. Unified Patents Inc.*, No. 2019-2057 (Fed. Cir. Jan. 21, 2020); *Pfizer v. Merck Sharp & Dohme Corp.*, Nos. 2019-1871, 2019-1873, 2019-1875, 2019-1876, 2019-2224 (Fed. Cir. Jan. 21, 2020); *Stuart v. Rust-Oleum Corp.*, Nos. 2019-1994, 2019-2238 (Fed. Cir. Jan. 21, 2020); *Luoma v. GT Water Prods., Inc.*, No. 2019-2315 (Fed. Cir. Jan. 17, 2020); *Mirror Imaging, LLC v. Fidelity Info. Servs.*, Nos. 2019-2026, 2019-2027, 2019-2028, 2019-2029 (Fed. Cir. Jan. 15, 2020).

³ Before the Federal Circuit, Micron also suggested that North Star could have sought rehearing by an expanded panel. C.A. 20-1925, Micron's Opp'n at 10-11, ECF No. 17. But Micron has abandoned that argument in its petition to this Court, and understandably so. As the Board's Standard Operating Procedures state, on a request for rehearing in front of an expanded panel, "the judges on the initial panel *shall*, if available, be designated as part of the expanded panel." United States Patent & Trademark Office, *PTAB Standard Operating Procedure 1*, at 16 (Rev. 15 Sept. 20, 2018) (emphasis added). Such an expanded panel, therefore, would include the same

Micron pushes its forfeiture argument even further by relying on North Star’s choice only to seek an *Arthrex* remand in those IPR proceedings in which the Board ruled entirely in Micron’s favor, but not in the separate proceeding in which the Board ruled partially in North Star’s favor. Pet. at 12. Micron somehow translates North Star’s decision to take a partial win in one proceeding as a forfeiture of its right to seek a remand and rehearing in separate proceedings in which the Board invalidated all of the challenged claims. *Id.* Micron offers no authority for the novel proposition that in order for a party to assert a constitutional challenge in a case that it loses, that party must walk away from a different case that it won and raise the challenge in that case, too.

Micron’s argument overlooks a fundamental distinction between itself and North Star: *Micron*, not North Star, brought all these IPR proceedings before the Board. As such, as the Federal Circuit has held, Micron has no right to commence an IPR proceeding, and then if it loses, challenge the Board’s determination on the basis that the judges were unconstitutionally appointed. *Ciena Corp. v. Oyster Optics, LLC*, 958 F.3d 1157 (Fed. Cir. 2020). As the Federal Circuit recognized, it was Ciena, as the petitioner, who chose the Board to adjudicate its dispute as to patent validity, rather than the

judges who had already adjudicated the matter and who “cannot be expected to consider the matter as though [they] had not adjudicated it before.” *Lucia*, 138 S. Ct. at 2055.

alternative district court forum. *Id.* at 1161. It was Ciena who “requested that the Board adjudicate its petition[,]” who “affirmatively sought a ruling from the Board members, regardless of how they were appointed[,]” and who “was content to have the assigned Board judges adjudicate its invalidity challenges[.]” *Id.* at 1159.⁴

But North Star did not seek out the Board’s adjudication. North Star was haled before the Board by Micron in these multiple separate proceedings. North Star does have the right to appeal and assert any available challenges in those proceedings that it loses, while foregoing those challenges in proceedings that it wins. It cannot be said that North Star has forfeited its right to remand and rehearing in certain IPR proceedings simply because it did not seek remand and rehearing of the same Board’s Final Written Decisions in other, separate IPR proceedings.

⁴ *Ciena* was the only authority cited by Micron to support this proposition in its opposition to North Star’s motion for remand at the Federal Circuit. C.A. 20-1925, Micron’s Opp’n at 15.

CONCLUSION

North Star respectfully submits that this Court should deny Micron's petition for certiorari.

Respectfully submitted.

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