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A Motion Every Patent Owner Should File in Pending IPRs

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Every Patent Owner with a pending *inter partes* review petition ("IPR") on file should consider filing an objection to the administrative patent judges ("APJs") hearing their case and seek the termination of the IPRs. Article II, Section 2, Clause 2 is the Constitution's "Appointments Clause", and APJs have been found by the Federal Circuit to have been officers appointed in violation of that clause. The only remedy that is constitutionally permissible when a judicial officer's appointment is found to have violated the Appointments Clause is to completely start the proceedings over from scratch with a different and properly appointed judicial officer. That required remedy makes almost every pending IPR unable to meet the deadlines in the America Invents Act ("AIA"), and failing to meet those deadlines requires the IPRs to be terminated.

I. APJ Panels are Composed of Unconstitutionally Appointed Judicial Officers

On October 31, 2019, the Federal Circuit Court of Appeals issued its opinion in *Arthrex, Inc. v. Smith & Nephew, Inc.*, Case No. 2018-2140. In *Arthrex*, the Federal Circuit held "that APJs are principal officers under Title 35 as currently constituted. As such, they must be appointed by the President and confirmed by the Senate; because they are not, the current structure of the Board violates the Appointments Clause." *Arthrex* at 20.

II. Administrative Patent Judges are Judicial Officers

IPRs replaced the previous reexamination procedure by converting the process from an examinational to an adjudicative one. See *Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed.Cir.2013) (quoting H.R.Rep. No. 112-98, pt. 1, at 46-47 (2011)). An federal adjudicative proceeding is necessarily presided over by a federal judicial officer.

Administrative Patent Judges ("APJs") are, by the act of Congress that created them, judicial officers of the United States. The Federal Circuit confirmed APJ's status as judicial officers in *Abbot Labs*. To hold otherwise would make APJs simply re-titled patent examiners.

III. APJs Actions Do Not Qualify for *De Facto* Officer Doctrine

In *Arthrex*, Judge Moore effectively applied the *de facto* officer doctrine in an attempt to save all rulings made by the original APJ panel that was unconstitutionally appointed by remanding the case to the Patent Trial and Appeal Board (“PTAB”) with instructions that a new APJ panel properly appointed could decide the case on the same record. *See Arthrex* at 30 (“Finally, we see no error in the new panel proceeding on the existing written record but leave to the Board’s sound discretion whether it should allow additional briefing or reopen the record in any individual case.”) Judge Moore’s allowance of the prior orders and decisions of the **unconstitutionally appointed** APJ panel to stand (but not the final ruling) was effectively a ruling that the *de facto* officer doctrine applied to all such non-final rulings by unconstitutionally appointed APJ panels.

But the United States Supreme Court has repeatedly ruled that the *de facto* officer doctrine **does not apply** to judicial officers of the United States. *Nguyen v United States*, 539 US 69, 77 (2003). The *Nguyen* holding is consistent with and relies upon *Ryder v United States*, 515 US 177 (1995). The rule that the *de facto* officer doctrine does not apply to Article II administrative law judges (“ALJs”) was made clear in *Lucia v. S.E.C.*, 138 S.Ct. 2044, 2055-56 (2018). APJs should not be treated any differently than ALJs.

The Federal Circuit has unconditionally ruled current APJ panels’ decisions to institute pending IPRs were made by unconstitutionally appointed judicial officers of the United States. *Arthrex* at 20. Those decisions to institute were therefore void from their inception. *Nguyen* at 78 (“This Court succinctly observed: ‘If the statute made him incompetent to sit at the hearing, the decree in which he took part was unlawful, and perhaps absolutely void, **and should certainly be set aside or quashed** by any court having authority to review it by appeal, error or *certiorari*.’)(citing *American Constr. Co. v. Jacksonville, T. & K.W.R. Co.*, 148 U.S. 372, 387)(emphasis added).

IV. Remand is Only Option and Renders the Proceedings Time-Barred

The only option when a judicial officer is found unconstitutionally appointed is a remand to have the matter reheard **in its entirety** by a judicial officer appointed in accordance with the Appointments Clause or by a newly appointed lesser officer whose appointment is not subject to Senate confirmation. *Nguyen* at 83; *Lucia* at 2055-56. In most pending IPRs however, remand and rehearing before a new APJ panel would be futile because the time for an institution decision by a properly appointed APJ panel has in most pending IPRs long since passed. 35 U.S.C.A. § 314(b)(2). *See PersonalWeb Tech., LLC v. FaceBook, Inc.*, 2014 WL 116350 *2 (N.D. Cal. January 13, 2014)(“The PTO **must decide whether to institute IPR within three months of the patent owner’s preliminary response**, or in the event no response is filed, by the last date on which the response could have been filed.”)(emphasis added). Even if new APJ panels were allowed to decide to institute long-pending IPRs after remand in direct violation of 35 U.S.C. § 314(b)(2), the final decision could not possibly be reached by such newly appointed panels within the 18-

month deadlines of 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c)(this assumes a six month extension were sought and granted before the 1 year deadline passed). Those deadlines, like the institution deadline, are not extendable by the express language of the AIA.

In almost every pending IPR no possibility now exists of an institution decisions being made by a newly appointed APJ panel within the deadlines mandated by the AIA, nor is there any possibility of final written decisions being issued within the AIA final decision deadlines. Because the new panels cannot possibly meet the mandatory deadlines, every pending IPR must be terminated with prejudice. Any other result would thwart the fundamental purpose of the AIA that created IPRs for the purposes of “providing quick and cost-effective alternatives to litigation.” [H.R. Rep. No. 112–98](#), pt. 1, at 48 (2011), 2011 U.S.C.C.A.N. 67, 78; 77 F. Reg. 48680–01 (Aug. 14, 2012); *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F.Supp.2d 1028, 1029-30 (C.D. Cal. 2013).

Patent Owners should all objects to any pending IPR proceedings as being held before judicial officers that were unconstitutionally appointed and asks that their proceedings be terminated with prejudice because no possibility exists that the mandatory deadlines to institute and/or decide this IPR can be met.

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