NYIPLA URGES SUPREME COURT TO REVIEW ARTHREX AND POLARIS

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On July 29, 2020, the New York Intellectual Property Law Association ("NYIPLA") filed an amicus brief in support of a petition for certiorari filed by the United States with regard to the panel decisions issued by the Federal Circuit in *Arthrex Inc. v. Smith & Nephew Inc.*, No. 19-1434, and *Polaris Innovations Limited v. Kingston Technology Company, Inc.*, No. 19-1459.

The *Arthrex* panel decision addressed whether administrative patent judges ("APJs") serving on the PTAB were appointed in violation of the Appointments Clause in Article II, Section 2, Clause 2 of the United States Constitution. The panel held that APJs are "principal officers of the United States" under the Patent Act (Title 35) as it has been enacted and structured. As such, the appointment of APJs by the Secretary of Commerce was held to be unconstitutional. To "fix" the constitutional defect, the panel severed the portion of the Patent Act restricting removal of the APJs only "for cause," thus purportedly rendering APJs "inferior officers" going forward and remedying the constitutional appointment problem.

In *Polaris*, the same issue was raised, and another panel of the Federal Circuit issued a *per curiam* order remanding the case to the PTAB for proceedings consistent with *Arthrex*.

Significantly, all parties to the *Arthrex* action, and including the United States as an Intervenor below, sought review of that panel decision by the full Federal Circuit in three separate petitions for rehearing or rehearing en banc filed last year. The NYIPLA submitted an amicus brief in support of en banc review. However, the Federal Circuit denied those petitions.

In its current brief in support of certiorari, the NYIPLA did not take a position on the merits, but urged the Supreme Court to "grant *certiorari* in this case and adopt the formulation of the first issue presented by the United States in its Petition, namely:

> 1. 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."

The NYIPLA believes that this issue raised by the United States in its Petition is the subject of substantial debate and should be addressed by the Supreme Court, particularly because the full Federal Circuit declined to and there is "significant uncertainty and debate amongst the stakeholders as to the panel's decision in *Arthrex*, buttressing the importance of review by [the Supreme] Court."

While there is no dispute that APJs are "officer of the United States," a significant debate has erupted following *Arthrex* as to whether the APJs are "principal officers," requiring appointment by the President with the advice and consent of the Senate, or "inferior officers" who may be appointed by the Secretary of Commerce. In its brief the NYIPLA noted that the Federal Circuit panel in Arthrex "failed to follow the broad concepts in" *Edmond v. U.S.*, 520 U.S. 651 (1997). Further, the NYIPLA pointed out that all Supreme Court cases relied upon by the Federal Circuit panel have "concluded that the officers in question [in those cases] were 'inferior officers' under the Appointments Clause:"

Thus, the NYIPLA argued: "The damage caused by continuing uncertainty cannot be overstated. Respectfully, this Court needs to act quickly and decisively."