

No. 19-1584

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BOSTON SCIENTIFIC NEUROMODULATION CORPORATION,
APPELLANT,

v.

NEVRO CORP.,
APPELLEE.

Appeals from the United States Patent and Trademark Office,
Patent Trial and Appeal Board in No. IPR2017-01899

**RESPONSE TO THE COMBINED PETITION FOR RECONSIDERATION
OR RECONSIDERATION EN BANC FOR INTERVENOR – DIRECTOR
OF THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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STATEMENT OF RELATED CASES

No other appeal in connection with the *inter partes* review proceedings has previously been before this Court or any other appellate court. The USPTO is not aware of any other case pending in this Court or any other court or agency that will be directly affected by this Court's decision in this appeal. The USPTO is aware, however, of the pending en banc petition in *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 2018-2140 (Fed. Cir.), which if granted, may directly affect this case.

INTRODUCTION AND BACKGROUND

Briefing in this appeal was completed before the Federal Circuit issued its decision in *Arthrex*. After *Arthrex*, Appellant Boston Scientific filed a motion to file supplemental briefs addressing the Appointments Clause issue, which the Court construed as a challenge to the constitutionality of a statute, and then ordered the United States to intervene and respond to the request within 10 days. The United States filed a motion to extend this deadline or stay proceedings until disposition of any en banc proceedings in *Arthrex*. See ECF 30. On November 22, 2019, the Court issued an order “conclud[ing] that the Appointments Clause challenge in these cases was forfeited” on the basis of its precedential order in *Customedia Techs., LLC v. Dish Network Corp.*, 941 F.3d 1173 (Fed. Cir. 2019). Accordingly, the Court denied Appellant’s motion for supplemental briefing, and denied as moot the government’s motion for a stay or an extension.

Appellant now seeks panel or en banc reconsideration of the order denying supplemental briefing, and the Court has directed any responses to be filed by January 6, 2020. The USPTO believes that this Court should adhere to the ordinary litigation waiver principles applied in its *Customedia* Order, under which a challenge is forfeited if not raised in a party’s opening brief. If the Court reverses course and decides, notwithstanding *Customedia*, to consider the Appointments Clause challenge, the Director requests the opportunity to fully respond to Appellant’s supplemental briefing.

THE COURT PROPERLY DENIED SUPPLEMENTAL BRIEFING

Appellant Boston Scientific has petitioned for reconsideration on the basis that *Arthrex* is a change in intervening law and that this Court must consider the Appointments Clause issue, even where an appellant fails to raise the issue in its opening brief. But the *Arthrex* decision itself applied the well-established principle that failure to raise an Appointments Clause challenge forfeits the challenge. *See Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1340 (Fed. Cir. 2019) (emphasizing that Appointments Clause challenges are not jurisdictional and that the Court would grant relief only when the litigant had properly raised the challenge on appeal). As with other “nonjurisdictional structural constitutional objections,” this Court is not required to excuse forfeiture and entertain a belated Appointments Clause challenge that a party seeking appellate review forfeits by leaving it unmentioned in its opening brief. *Id.* (quoting *Freytag v. C.I.R.*, 501 U.S. 868, 878-79 (1991)); *see also Intercollegiate Broad. Sys., Inc. v. Copyright Royalty Bd.*, 574 F.3d 748, 755-56 (D.C. Cir. 2009) (per curiam) (declining to address Appointments Clause challenge to the Copyright Royalty Board members raised in supplemental briefing because it was “untimely” and there was no reason “to depart from [the Court’s] normal forfeiture rule”). Indeed, “[n]o procedural principle is more familiar to this Court than that a constitutional right, or a right of any other sort, ‘may be forfeited in criminal as well as civil cases by the failure to make timely assertion of the right before a tribunal having jurisdiction to determine it.’” *United States v. Olano*, 507 U.S. 725, 731 (1993) (quoting *Yakus v. United States*, 321 U.S. 414, 444

(1944)). Forfeiture is “not a mere technicality and is essential to the orderly administration of justice.” *Freytag*, 501 U.S. at 894–95; *see also, e.g.*, 16AA Fed. Prac. & Proc. Juris. § 3974.1 (4th ed. 2008).

Because Appellant did not present this challenge in its opening brief, it is forfeited. *Customedia*, 941 F.3d at 1174 (“*Customedia* did not raise any semblance of an Appointments Clause challenge in its opening brief or raise this challenge in a motion filed prior to its opening brief. Consequently, we must treat that argument as forfeited in this appeal.”); *see also Sanofi-Aventis Deutschland GMBH v. Mylan Pharms. Inc.*, No. 19-1368, Dkt. 57, page 20, n.4 (Fed. Cir. Nov. 19, 2019) (non-precedential order) (“Our precedent holds that failure to raise the *Arthrex* Appointments Clause issue in the opening brief forfeits the challenge.”). This Court should adhere to the usual litigation waiver principles it applied in *Customedia*, under which a challenge is forfeited if not raised in a party’s opening brief. *See SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1319 (Fed. Cir. 2006) (“Our law is well established that arguments not raised in the opening brief are waived.”). Contrary to Appellant’s arguments, *Freytag* does not require this Court to reach forfeited claims. *Freytag*, 501 U.S. at 878-79 (explaining that only “rare cases” warrant such an exercise of discretion). While the USPTO recognizes that courts retain their discretion to determine whether to excuse forfeiture, it notes that an appellate court’s authority does not automatically mean that the court will or should allow a party to obtain a redo whenever it fails to preserve an argument that, with the benefit of hindsight, it wishes it had preserved. Appellant offers no reason why

it—like the appellants in *Arthrex* and many other cases had done months before Appellant here filed its opening brief—could not have raised an Appointments Clause challenge in its briefing here. That challenge was equally available to Appellant, and there is simply no basis for relieving Appellant of the consequences of its failure to make the argument.

Appellant is wrong in contending that this Court’s and the Supreme Court’s “controlling” precedents require the Court to address an Appointments Clause challenge “irrespective of whether parties raise the issue in their briefs” before a new rule is announced. Pet. at 7. No court has ever adopted such a rule. And Appellant provides no compelling reason for excusing its failure to observe the bedrock procedural rule that a non-jurisdictional argument is forfeited unless timely asserted.

CONCLUSION

Appellant’s combined petition fails to establish that supplemental briefing is warranted in this case. Nor has it established that this Court should depart from the usual litigation waiver principles it applied in *Customedia*. The petition, therefore, should be denied.

Dated: January 7, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on January 7, 2020, I electronically filed the foregoing Response to the Combined Petition for Reconsideration or Reconsideration En Banc for Intervenor – Director of the United States Patent and Trademark Office with the Court’s CM/ECF filing system. Counsel for the Appellant and Appellee were electronically served by and through the Court’s CM/ECF filing system per Fed. R. App. P. 25 (c) and Fed. Cir. R. 25(e).

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RULE 32(a)(7)(C) CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(a)(7), the undersigned certifies that the foregoing Response to the Combined Petition for Reconsideration En Banc for Intervenor – Director of the United States Patent and Trademark Office complies with the type-volume limitation required by the Court’s rule. The total number of words in the foregoing brief, excluding the parts exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b), is 973 words as calculated using the Word® software program.

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