United States Court of Appeals for the Federal Circuit

IN RE: BOLORO GLOBAL LIMITED
Appellant

2019-2349, 2019-2351, 2019-2353

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board, in Nos. 14/222,613; 14/222,615; and 14/222,616.

APPELLANT BOLORO'S REPLY IN SUPPORT OF ITS MOTION TO REMAND IN LIGHT OF *ARTHREX, INC. v. SMITH & NEPHEW, INC.*

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January 21, 2020

Appellant Boloro Global Limited ("Boloro") respectfully submits this Reply in Support of its Motion to Vacate and Remand this proceeding to the U.S. Patent Trial and Appeal Board ("the Board").

I. This Court Already Considered the Now-Presented Waiver Argument When It Decided *Arthrex*

The U.S. Patent and Trademark Office's ("the USPTO's") reliance on *In re DBC*, 545 F.3d 1373 (Fed. Cir. 2008) is misplaced as this Court already considered that precedent when deciding *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). In *Arthrex*, this Court held that, unlike in *In re DBC:*

> No [Congressional] remedial action has been taken …and … the Secretary continues to have the power to appoint APJs…. [We] conclude that it is appropriate for this court to exercise its discretion to decide the Appointments Clause challenge here. This is an issue of exceptional importance, and we conclude it is an appropriate use of our discretion to decide the issue over a challenge of waiver.

Id. at 1327.

II. This Court Has Already Held that Raising the Issue Before the Board Would have been Futile

Moreover, raising an Appointments Clause challenge before the Board would have been futile. This Court in *Arthrex* expressly addressed the issue when it held:

> the Board was not capable of providing any meaningful relief to this type of Constitutional challenge and it would therefore have been futile for [the Appellant] to have made the challenge there. "An administrative agency may not invalidate the statute from which it derives its existence and that it is charged with implementing."

Id. at 1339 (citing *Jones Bros., Inc. v. Sec'y of Labor*, 898 F.3d 669, 673 (6th Cir. 2018)).

Indeed, the PTAB does not even have ***jurisdiction*** to hear such challenges. See *Riggin v. Office of Senate Fair Employment Practices*, 61 F.3d 1563, 1569 (Fed. Cir. 1995) ("administrative agencies do not have jurisdiction to decide the constitutionality of congressional enactments.").

III. *Arthrex* Represents a Significant Change in the Law

Arthrex represents a significant change in law as recognized by Judge Newman in *Sanofi-Aventis Deutschland GMBH v. Mylan Pharm. Inc.*, Nos. 2019-1368, 2019-1369, 2019 U.S. App. LEXIS 34328 at *33-35 (Fed. Cir. Nov. 19, 2019) (Newman, J., dissenting), which would excuse waiver if it was even applicable here. See, e.g., *Yankee Atomic Elec. Co. v. United States*, 679 F.3d 1354, 1361 (Fed. Cir. 2012); see also *In re Micron Tech., Inc.*, 875 F.3d 1091, 1097 (Fed. Cir. 2017).

IV. The Director Delegated His Authority in the Appealed Cases

The PTO raises the strawman of whether the statute authorizes appeals to the Board "where the Director chooses not to delegate the examination function to an examiner." Opp. at 8. However, such an argument is not dispositive where, as here, the Director ***did*** delegate his authority to an unconstitutionally appointed Board. Moreover, given that he did delegate his authority, the Board did effectively decide the patentability of the claims at issue by reviewing the adverse decision of the examiner. Also, even though the "Board's review is subject to the Director's ultimate authority as to whether a patent shall

issue" (Opp. at 8), where the Director has not even been alleged to have utilized that authority, the mere existence of that authority does not correct the Constitutional infirmity of the present process where such authority was not used.

CONCLUSION

This Court should vacate the Board's decision below and remand the cases in this consolidated appeal to the Board for proceedings consistent with *Arthrex*.

Respectfully submitted,

Dated: January 21, 2020

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CERTIFICATE OF INTEREST

Counsel for Appellant certifies the following:

1. The full name of party represented by me:

Boloro Global Limited

2. The name of the real party in interest (please only include any real party in interest NOT identified in Question 3) represented by me is:

Boloro Global Limited

3. Parent corporations and publicly held companies that own 10% or more of stock in the party:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:

None

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeals. See Fed. Cir. R. 47.4(a)(5) and 47.5(b):

USPTO Application Serial No. 16/426,064, filed May 30, 2019

Dated: January 21, 2020

/s/ Michael R. Casey
Michael R. Casey
Counsel for Appellant

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION

The foregoing was printed using a 14 point Century Schoolbook Font. This motion complies with the type-volume limitation of Federal Rule of Appellate Procedure 27. According to MS Word 2010, the word processing system used to prepare this document, the response contains 578 words.

Dated: January 21, 2020

/s/ Michael R. Casey
Michael R. Casey
Counsel for Appellant

CERTIFICATE OF FILING AND SERVICE

The undersigned hereby certifies that, on the 21st day of January, 2020, I electronically filed the foregoing document using the United States Court of Appeals for the Federal Circuit's CM/ECF system, which will at the time of filing serve and send notice to all registered CM/ECF users.

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