

**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 TO APPELLEE'S
SUPPLEMENTAL RESPONSE**

Michael R. Casey
James Love
Oblon, McClelland, Maier,
& Neustadt, LLP
1940 Duke Street
Alexandria, Virginia 22314
(703) 413-3000

Carlos Villamar
The Villamar Firm, PLLC
3424 Washington Drive
Falls Church, Virginia 22041
(703) 623-4122

*Counsel for Appellant,
Boloro Global Limited*

March 27, 2020

Appellant Boloro Global Limited (“Boloro”) respectfully submits this Reply to Appellee’s Supplemental Response filed March 20, 2020 (Doc. 27).

I. The PTO Has Never Disputed that Deciding Patent Eligibility under 35 U.S.C. 101 Requires the APJs to Have Significant Authority

In *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 18-2140, 941 F.3d 1320 (Fed. Cir. 2019) this Court held that a determinative factor in determining whether APJs were principal officers was the exercise of “significant authority pursuant to the laws of the United States.” *Id.* at 1327-1328. As noted in Boloro’s Motion, in the context of these appeals in particular, the APJs exercised significant authority by virtue of what they were being asked to render judgment on. The only issue before them on rehearing was whether to ignore the actual statutory language of 35 U.S.C. § 101 as written by Congress and to instead substitute their own judgment for Congress’ by deciding whether to affirm the rejection of the claims under 35 U.S.C. § 101 as being directed to ***judicially-excepted*** subject matter. That is, without being appointed like Article III federal judges, they were being asked to act like Article

III judges in determining the applicability of a **judicial** exception. The PTO has never disputed that, in order to address the issue of **judicially-excepted** subject matter, the APJs in these cases on appeal were acting as principal officers, and that omission should be treated as an admission that the APJs in these *ex parte* appeals are indeed unconstitutionally appointed principal officers entitling Boloro to a remand.

II. The Director’s Right to Make a Decision Is Not the Same As His/Her Having Made a Decision

The PTO argues that there “is no need to vacate and remand for new proceedings before at-will removable APJs where the Director already had adequate control over the examination process and **could have** accepted the patent applicant’s arguments in the original examination.” Doc. 27 at 2 (emphasis added). It further argues that “where a Senate-confirmed officer such as the Director has always **been able** to unilaterally make decisions during the administrative proceeding—and can in no way have been stymied by an inadequately controlled Board—there is no need for such a remand.” *Id.* at 7 (emphasis added). Such an argument confuses (1) the Director’s right

to make a decision with (2) whether the Director did make the decision or whether an unconstitutionally-appointed PTAB made it for him/her. As noted in the PTO's Opposition, there are two kinds of possible examination of patent applications: (1) "where the Director chooses not to delegate the examination function to an examiner and makes the examination decision himself" (Doc. 16 at 8) and (2) where the examination function is delegated to an examiner. This appeal relates to applications examined under the latter scenario, so the fact that "the Director *could have* issued a decision during the examination proceeding—or directed an examiner to issue a decision—favorable to Boloro ... [but] did not do so" (Doc. 27 at 8) (emphasis added) is irrelevant to the question of whether the panel that did reject Boloro's applications was unconstitutionally appointed. Indeed, by the reasoning of the PTO, one would come to the illogical conclusion that *any* error in the examination process, even failure to provide due process, could be overlooked simply because the Director "*could have*" examined an application on his/her own.

III. Remand Is the Appropriate Remedy

In section 2 of its Supplemental Response, the PTO alleges that a “remand could be an appropriate remedy for this particular Appointments Clause violation only if Senate-confirmed officers lacked sufficient control in the first place.” Doc. 27 at 10-11. It similarly alleges that “the Director[has] substantially greater control over examinations than *inter partes* reviews.” Doc. 27 at 2. However, both such assertions are contradicted in this appeal by the fact that the decisions being appealed from were all split decisions with one APJ agreeing with Boloro that the claims are patent eligible. Clearly, the Director does not have control over at least one of the APJs since at least one of the APJs is not reaching the decision that the Director would have. However, whether it is the majority or the minority is not known and should be resolved on remand.

Furthermore, *Lucia v. SEC*, 138 S. Ct. 2044 (2018), requires or supports vacatur and remand here. The PTO alleges that “*Arthrex*, unlike *Lucia*, therefore does not require a remedy involving ‘properly appoint[ing]’ the official, but rather merely increasing superior officers’ control over APJs’ conduct of their duties.” However, that assertion

may address a *prospective* remedy, but it does not address how to correct an already issued set of decisions. Indeed, at least in the case of IPRs, the PTO itself seemed to acknowledge as much in its Supplemental Brief for the United States in *Polaris Innovations Limited v. Kingston Technology Company, Inc.*, Nos. 2018-1768 and 2018-1831, Doc. 96 (Fed. Cir. Jan. 6, 2020) at 18 (“Assuming for purposes of discussion that APJs were not subject to constitutionally sufficient supervision prior to *Arthrex*, neither *Arthrex*’s determination that the statutory restrictions on removal of APJs violated the Appointments Clause, nor the panel’s invalidation of those restrictions, was sufficient to eliminate the impact of the asserted constitutional violation on the original agency decision—a decision made by APJs who did not at the time understand themselves to be subject to removal at will.”) Instead, as the PTO argued in *Polaris*, “with respect to Appointments Clause challenges properly preserved before the Board and raised in this Court, those challengers would be entitled to a remand to have their administrative controversies determined by properly supervised inferior officers.” *Id.*

IV. This Court has Now Denied Rehearing En Banc In *Arthrex*

In section 3 of its Supplemental Response, the PTO noted that, at the time of its filing, “it is as yet unclear whether the constitutional rule announced in *Arthrex* will remain good law. Boloro seeks a remand on the basis of the same Appointments Clause challenge that was addressed in *Arthrex*. ... All parties, including the government, have petitioned for en banc review in *Arthrex*, and those petitions remain pending.” Doc. 27 at 11. At the beginning of this week, this Court denied those Requests for Rehearing En Banc. *Arthrex, Inc. v. Smith & Nephew, Inc.*, ___ F.3d ___ (Fed. Cir. March 23, 2020). To delay a decision on this remand “pending any further review of *Arthrex* by ... the Supreme Court” will cause a delay disproportionately longer than it would take to simply rehear the cases on appeal by a post-*Arthrex* panel. Accordingly, Boloro requests that this Court order a remand in the consolidated appeals without waiting for a decision by the Supreme Court.

CONCLUSION

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

Respectfully submitted,

Dated: March 27, 2020

/s/ Michael R. Casey
Michael R. Casey
Oblon, McClelland, Maier,
& Neustadt, LLP
1940 Duke Street
Alexandria, Virginia 22314
(703) 413-3000
*Counsel for Appellant,
Boloro Global Limited*

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: March 27, 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 Reply complies with the Order dated February 5, 2020 (Doc. 19) that “Boloro’s reply to that supplemental response, which is not to exceed 10 pages, is due within seven days thereafter.”

Dated: March 27, 2020

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

CERTIFICATE OF FILING AND SERVICE

The undersigned hereby certifies that, on the 27th day of March, 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.

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