

Nos. 20-1298, -1299

IN THE
United States Court of Appeals for the Federal Circuit

NORTH STAR INNOVATIONS, INC.,

Appellant,

v.

MICRON TECHNOLOGY, INC.,

Appellee,

ANDREI IANCU, Director, U.S. Patent and Trademark Office,

Intervenor.

Appeals from the United States Patent and
Trademark Office, Patent Trial and Appeal Board
in Nos. IPR2018-01004 and IPR2018-01005

MICRON'S PETITION FOR REHEARING EN BANC

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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

North Star Innovations, Inc. v. Micron Technology, Inc.

Case No. 20-1298, -1299

CERTIFICATE OF INTEREST

Counsel for the:

(petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

Micron Technology, Inc.

certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
Micron Technology, Inc.	Micron Technology, Inc.	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:

Richards, Layton & Finger PA (Frederick L. Cottrell, III and Travis Steven Hunter)

FORM 9. Certificate of Interest

Form 9
Rev. 10/17

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 appeal. *See* Fed. Cir. R. 47.4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).

North Star Innovations, Inc. v. Micron Technology, Inc., Fed. Cir. 2020-1299

North Star Innovations, Inc. v. Micron Technology, Inc., 1:17-cv-00506-LPS (D. Del.)

North Star Innovations, Inc. v. Kingston Technology Company, Inc., 8:17-cv-01833-DOC-DFM (C.D. Cal.)

5/14/2020

Date

/s/ Jared Bobrow

Signature of counsel

Jared Bobrow

Printed name of counsel

Please Note: All questions must be answered

cc: Counsel of Record

Reset Fields

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STATEMENT OF COUNSEL

Based on my professional judgment, I believe the panel decision is contrary to at least the following decisions of the Supreme Court of the United States and precedents of this Court: *United States v. L.A. Tucker Truck Lines, Inc.*, 344 U.S. 33 (1952); *In re DBC*, 545 F.3d 1373, 1377 (Fed. Cir. 2008); *Ciena Corp. v. Oyster Optics, LLC*, No. 19-2117, --- F.3d ---, 2020 WL 2124762 (Fed. Cir. Jan. 28, 2020).

/s/Jared Bobrow

Jared Bobrow

Counsel for Appellee

INTRODUCTION

This is one of the numerous appeals from the Patent Trial and Appeal Board that were remanded in light of the Court’s holding in *Arthrex* that the Board’s judges were unconstitutionally appointed. But unlike the other appellants, North Star wasn’t entitled to raise an Appointments Clause challenge on appeal. It could have, but did not, make that argument to the Board, where it was undisputedly able to obtain the remedy provided by this Court—rehearing by a new, constitutionally appointed panel of judges. By failing to do so, North Star forfeited that argument. It compounded its forfeiture by asserting the constitutional challenge in this appeal and two related ones—but *not* in a fourth appeal, issued just two days earlier by a panel with two common judges, in which the Board upheld the patentability of a few of North Star’s claims.¹

Micron demonstrated this double forfeiture in opposing North Star’s remand request. And the PTO agreed with Micron that North Star had forfeited the argument. But a panel of this Court remanded

¹ Micron is filing substantively identical rehearing petitions in those two other appeals, Nos. 20-1295 and 20-1297.

without analysis. Refusing to hold North Star to its forfeiture is contrary to the precedent of the Supreme Court and this Court. And it rewards North Star's choice to waste party, agency, and judicial resources. The en banc Court should grant Micron's petition, reverse the panel's order, and allow this case to proceed to briefing on the merits.

BACKGROUND

North Star is the owner by assignment of four patents at issue in four related appeals pending before this Court. After obtaining those patents from Freescale Semiconductor, North Star asserted them against Micron in infringement litigation that remains pending and stayed in the District of Delaware. *See* First Am. Complaint, *N. Star Innovations, Inc. v. Micron Tech., Inc.*, No. 1:17-cv-00506, Dkt. 16 (D. Del. July 31, 2017). Micron, in turn, sought inter partes review of each of the four patents, filing a total of six petitions.

Micron's challenges all but eliminated North Star's asserted patent claims. The Board instituted review on all six petitions and ultimately issued final written decisions holding all but 2 of the 49 challenged claims unpatentable. The patent at issue in this appeal is

U.S. Patent No. 7,171,526. In two final written decisions issued on October 24, 2019, the Board held all challenged claims of the '526 patent unpatentable on multiple different grounds. *See* Dkt. 1-2 at Ex. 1, No. 20-1298; Dkt. 1-2 at Ex. 1, No. 20-1299. On the same day, a Board panel including two of the same judges as the '526 patent panel issued a final written decision holding all challenged claims of North Star's U.S. Patent No. 6,456,743 unpatentable on multiple grounds. North Star's appeal from that decision is pending before this Court in Appeal No. 20-1297.

Two days earlier, on October 22, the same panel of judges that decided the '743 patent proceeding had issued final written decisions in three other related proceedings. In two of those decisions, the Board held claims 1-3 of U.S. Patent No. 6,127,875 unpatentable on multiple grounds. North Star's appeals from those decisions are consolidated before this Court in Appeal No. 20-1295. In the third decision that day, the Board held 17 challenged claims of North Star's U.S. Patent No. 5,943,274 unpatentable, while upholding the patentability of 2 challenged claims. Micron's appeal and North Star's cross-appeal are

consolidated before this Court in Appeal No. 20-1303, where Micron recently filed its opening brief. *See* Dkt. 18, No. 20-1303.

North Star did not challenge the constitutionality of any aspect of these proceedings before the Board. It did not object to the appointment of any of the four administrative patent judges who participated in issuing the six final written decisions. In a year and a half of proceedings, it never hinted at such a complaint.

The week after the Board issued all of its decisions in these proceedings, a panel of this Court held that the judges who make up the Board are “principal officers” under the Constitution and, because those judges are neither appointed by the President nor confirmed by the Senate, “the current structure of the Board violates the Appointments Clause.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1335 (Fed. Cir. 2019) (*Arthrex I*). As a remedy, the panel severed the application of 5 U.S.C. § 7513(a) as it applies to the Board—rendering the judges removable at will, no longer principal officers, and thus constitutionally appointed. *Id.* at 1338. The panel made clear that final written decisions issued before the *Arthrex* panel ruling were subject to constitutional challenge. *See id.* at 1339.

Even after this ruling, however, North Star did not raise a constitutional objection or seek relief from the Board. It said nothing—either to Micron or to the Board—about the lawfulness of the decisions that had issued the previous week. It did not ask for the remedy provided by the *Arthrex* panel—rehearing by a new panel of now-constitutional judges. Instead, North Star waited more than two months, filed its notices of appeal to this Court, and only then, in its appellate docketing statements, indicated its intent to seek “[r]emand of proceeding under *Arthrex*.” Dkt. 6 at 1. Two weeks later, North Star filed a motion to remand. *See* Dkt. 14.

North Star submitted similar filings in the ’875 and ’743 patent appeals. *See* Dkt. 14 & 15, No. 20-1295; Dkt. 13 & 14, No. 20-1297. North Star did not seek a remand or raise a constitutional question in the ’274 patent appeal, however. As noted above, the ’274 patent proceeding is the only one in which the Board upheld the patentability of some of North Star’s claims.

Micron opposed North Star’s motion, explaining that its constitutional challenge was waived twice over: (1) North Star failed to object to the appointment of the judges before the Board, which could

have granted North Star rehearing by a new, constitutionally appointed panel after the *Arthrex* decision issued; and (2) North Star acquiesced in the constitutionality of the judges by failing to object on appeal to the decision issued by the exact same panel during the same week in the '274 patent proceeding. *See* Dkt. 17. The PTO intervened and filed its own brief supporting Micron, confirming that the Board could have provided rehearing if North Star had sought reconsideration and raised its constitutional argument before it appealed. *See* Dkt. 21 at 2. In reply, North Star did not dispute that this was an available remedy it could have pursued; it just argued that the Board might have denied the request. *See* Dkt. 19 at 7-8; Dkt. 27 at 8.

On March 23, 2020, this Court issued an order denying en banc rehearing of the *Arthrex* panel's constitutional ruling and remedy. *See Arthrex, Inc. v. Smith & Nephew, Inc.*, 953 F.3d 760, 761 (Fed. Cir. 2020) (*Arthrex II*). One week later, a panel of this Court issued a non-precedential, summary order granting North Star's motion to remand. Dkt. 30. The order contained no reasoning and did not address Micron's or the PTO's arguments about waiver. *See id.*

ARGUMENT

While Micron disagrees with this Court’s decision in *Arthrex*, it recognizes that the denial of en banc rehearing in that case is this Court’s final word on the merits of the panel’s constitutional ruling and remedy, subject to certiorari review by the Supreme Court. Micron therefore will not ask the Court to revisit those questions. But in denying rehearing, several judges of this Court—including two of the original panel members—emphasized that parties who waived the constitutional issue need not be provided the rehearing remedy established by the panel. *See Arthrex II*, 953 F.3d at 767 n.1 (O’Malley, J., concurring) (noting that the requirement to afford the same remedy to all litigants with pending matters “does not mean, of course, that we must provide a remedy to litigants who waived the issue”).

North Star is one of those parties. It forfeited its constitutional challenge twice over, and it was not entitled to a remand. The panel offered no reason for providing it that remedy. Micron respectfully asks the en banc Court to hold North Star to its forfeiture and enforce the Supreme Court’s and this Court’s precedent.

With rare exception, this Court does not consider arguments on appeal that were not presented before the tribunal whose decision is under review. *See, e.g., Hylete LLC v. Hybrid Athletics, LLC*, 931 F.3d 1170, 1174 (Fed. Cir. 2019). That restraint is especially critical in the context of agency review. As the Supreme Court has emphasized, “orderly procedure and good administration require that objections to the proceedings of an administrative agency be made while it has the opportunity for correction in order to raise issues reviewable by the courts.” *United States v. L.A. Tucker Truck Lines, Inc.*, 344 U.S. 33, 37 (1952).

This rule covers constitutional challenges to the appointment of the agency officials issuing the decision on review. Indeed, this Court has previously enforced the rule to bar an Appointments Clause-based challenge to the very officials at issue in this case—the administrative patent judges that make up the Board—when the party asserting the challenge had not raised it before the Board. *See In re DBC*, 545 F.3d 1373, 1377 (Fed. Cir. 2008) (“We agree with the government that DBC waived the issue by failing to raise it before the Board.”).

The *Arthrex* panel distinguished *DBC* by reasoning that “[t]he Board was not capable of correcting the constitutional infirmity” at the time *Arthrex*’s own inter partes review proceeding was pending. *Arthrex I*, 941 F.3d at 1340. There were no constitutionally appointed Board judges until the *Arthrex* severance remedy took effect, which happened once that case was already on appeal. Because “the Board had no authority to provide any meaningful relief,” it would have been “futile for *Arthrex* to have raise[d] the challenge before the Board,” so there was good reason to excuse the waiver. *Id.*

That reasoning does not apply to *North Star*. When the *Arthrex* panel issued its decision and implemented the remedy that rendered the Board constitutional, *North Star*’s inter partes review proceedings were still pending before the Board. There were thus constitutionally appointed judges available to rehear these proceedings—just like in *DBC*. And *North Star* could have sought the exact remedy it now belatedly seeks from this Court: reassignment to a new, constitutional panel of judges for a new hearing.

Indeed, *North Star* was still well within the 30-day period in which it could have sought rehearing following the Board’s final written

decisions. *See* 37 C.F.R. § 42.71(d)(2). And the PTO has confirmed what is apparent from its rules and policies: that North Star could have used a rehearing petition to request a new, constitutionally appointed panel. Dkt. 21 at 2; *see also* Dkt. 17 at 10-11.

North Star failed to do so. It instead waited until after it had appealed to this Court to raise any constitutional concern, thereby forfeiting the issue. And North Star did not even attempt to show that this is “one of those exceptional cases that warrants consideration of the Appointments Clause issue despite its tardy presentation.” *DBC*, 545 F.3d at 1379. Like *DBC*, it is not: North Star could have raised its challenge before the agency but did not; the constitutional problem (if any) has been fixed through other means; and there is no “allegation of incompetence or other impropriety regarding the administrative patent judges who heard” this inter partes review. *Id.* at 1380-81.

On the contrary, North Star had no objection to two of those same judges, at the same time, issuing a final written decision in the ’274 patent proceeding. And that brings us to the second forfeiture.

As noted above, North Star challenged the constitutionality of the Board only in the three appeals in which the Board invalidated all of

the challenged claims. In the '274 patent proceeding, however, the Board determined that 17 of the challenged claims were unpatentable but upheld the patentability of 2 claims. *See* Dkt. 1-2, No. 20-1303. Both parties appealed from that decision. North Star has elected not to raise its Appointments Clause challenge in that appeal—even though the Final Written Decision on the '274 patent was issued by two of the exact same judges—and a third who was appointed in the same manner—just two days before the Final Written Decisions at issue in this appeal. *See supra* 6.

North Star's acquiescence in the related decision by the same (or similarly situated) Board judges whose appointment it wants to challenge here should be deemed a forfeiture of that challenge. A party should not be permitted to engage in such blatant gamesmanship. The judges were either constitutionally appointed or they were not. There is no just reason to allow North Star to get a redo before a new panel in the cases where it lost, but allow it to preserve the decision where the Board gave it a partial win.

Indeed, this Court has refused to allow parties to benefit from the *Arthrex* ruling when their conduct suggests that the constitutional

objection is purely strategic rather than borne of legitimate concern. In *Ciena Corp. v. Oyster Optics, LLC*, the Court refused to grant vacatur and remand to a party who had sought inter partes review as a petitioner before the Board, then objected to its constitutionality only after receiving an adverse decision. In other words, petitioner Ciena “was content to have the assigned Board judges adjudicate its invalidity challenges until the Board ruled against it.” No. 19-2117, --- F.3d ---, 2020 WL 2124762, at *1 (Fed. Cir. Jan. 28, 2020). In those circumstances, “Ciena ha[d] forfeited its Appointments Clause challenge.” *Id.* The same logic applies here. North Star was apparently content to have the assigned Board judges adjudicate Micron’s invalidity challenges unless the Board ruled against North Star. In these circumstances, North Star has forfeited its Appointments Clause challenge.

The panel’s summary order addressed none of this. It did not find a lack of forfeiture, nor did it provide any basis for excusing either of North Star’s forfeitures. Allowing parties in North Star’s position to raise belated constitutional challenges will encourage a waste of administrative and judicial resources; instead of bringing the problem

to the attention of an agency that can cure it, parties will sit on their rights and file unnecessary appeals. This disserves the policy of “judicial efficiency” that underlies the waiver doctrine. *DBC*, 545 F.3d at 1378-79; *see also Woodford v. Ngo*, 548 U.S. 81, 89 (2006) (“Claims generally can be resolved much more quickly and economically in proceedings before an agency than in litigation in federal court.”). It wastes the time and resources of the parties, the agency, and the court. The en banc Court should intervene to prevent it.

CONCLUSION

The Court should grant Micron’s petition and reverse the panel’s order remanding this case.

Respectfully submitted,

/s/ Jared Bobrow

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Counsel for Appellee

May 14, 2020

CERTIFICATE OF COMPLIANCE

The petition complies with the type-volume limitation of Fed. R. App. P. 35(b)(2)(A) because this petition contains 2568 words, excluding the parts of the petition exempted by Fed. Cir. R. 35(c)(2).

This petition complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this petition has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in Century Schoolbook 14-point font.

ORRICK, HERRINGTON & SUTCLIFFE LLP

/s/Jared Bobrow

Jared Bobrow

Counsel for Appellee

ADDENDUM

*Order in North Star Innovations, Inc. v. Micron Technology, Inc.,
Nos. 20-1298, -1299 (Fed. Cir. Mar. 30, 2020)*

NOTE: This order is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

NORTH STAR INNOVATIONS, INC.,
Appellant

v.

MICRON TECHNOLOGY, INC.,
Appellee

**ANDREI IANCU, Director, U.S. Patent and Trade-
mark Office,**
Intervenor

2020-1295, -1296

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2018-
00998 and IPR2018-00999.

NORTH STAR INNOVATIONS, INC.,
Appellant

v.

MICRON TECHNOLOGY, INC.,
Appellee

2 NORTH STAR INNOVATIONS, INC. v. MICRON TECHNOLOGY,
INC.

**ANDREI IANCU, Director, U.S. Patent and Trade-
mark Office,**
Intervenor

2020-1297

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2018-
01000.

NORTH STAR INNOVATIONS, INC.,
Appellant

v.

MICRON TECHNOLOGY, INC.,
Appellee

**ANDREI IANCU, Director, U.S. Patent and Trade-
mark Office,**
Intervenor

2020-1298, -1299

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2018-
01004 and IPR2018-01005.

ON MOTION

NORTH STAR INNOVATIONS, INC. v. MICRON TECHNOLOGY, INC. 3

Before PROST, *Chief Judge*, NEWMAN and HUGHES, *Circuit Judges*.

NEWMAN, *Circuit Judge*.

O R D E R

North Star Innovations, Inc. moves to vacate the Patent Trial and Appeal Board's decisions and remand for new hearings in light of this court's recent decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). Micron Technology, Inc. opposes the motions. The Director of the United States Patent and Trademark Office ("PTO") opposes.

Upon consideration thereof,

IT IS ORDERED THAT:

(1) The motions to vacate and remand are granted. The Patent Trial and Appeal Board's decisions are vacated, and the cases are remanded to the Board for proceedings consistent with this court's decision in *Arthrex*.

(2) Each side shall bear its own costs.

FOR THE COURT

March 30, 2020
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit by using the appellate CM/ECF system on May 14, 2020.

I certify that all counsel of record in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

ORRICK, HERRINGTON & SUTCLIFFE LLP

/s/ Jared Bobrow

Jared Bobrow

Counsel for Appellee