

Appeal No. 20-1441

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

MOBILITY WORKX, LLC,
Appellant

– v. –

UNIFIED PATENTS, LLC,
Appellee

ANDREW HIRSHFELD, PERFORMING THE FUNCTIONS AND DUTIES OF THE
UNDERSECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,
Intervenor

APPEAL FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE, PATENT
TRIAL AND APPEAL BOARD,
IN CASE NO. IPR2018-01150

APPELLEE’S RESPONSE BRIEF RE: *ARTHREX*

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Pursuant to the Court’s June 23, 2021 Order, Appellee Unified Patents, LLC (“Unified” or “Appellee”) hereby respectfully files this response brief explaining how it believes this case should proceed in light of the Supreme Court’s decision in *United States v. Arthrex, Inc.*, 594 U.S. ___, 141 S. Ct. 1970 (2021) (“*Arthrex*”) in response to the brief filed by Appellant Mobility Workx, LLC (“Mobility” or “Appellant”) (Dkt. No. 85). Unified submits that Mobility waived any Appointments Clause challenge by not raising it below before the Board when it had an opportunity to do so and by not raising the same constitutional argument at issue in *Arthrex* in its opening brief on appeal. Thus, no remand is required. In the event such an argument is deemed not waived, then the appropriate remedy is a limited remand to the Board without vacatur to allow an opportunity for the Director or Acting Director to decide whether to review the Board’s Final Written Decision, with this Court retaining jurisdiction and holding this appeal in abeyance.

First, Mobility waived any Appointments Clause challenge in this case by not raising one below before the Board, and Mobility further waived the specific constitutional argument at issue in *Arthrex* by not raising the same argument in its opening brief on appeal. Thus, no remand to the Board is required and this appeal, in which oral argument has already occurred, should proceed to a decision on the merits. The Federal Circuit’s decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019) had already issued on October 31, 2019, prior to the

Board's Final Written Decision issuing in this matter on December 2, 2019. Yet Mobility made no effort to raise any Appointments Clause challenge before the Board below. By not raising such a challenge below when it was on notice of the issue from the Federal Circuit's decision, Mobility waived it. *In re DBC*, 545 F.3d 1373, 1378 (Fed. Cir. 2008) (holding Appointments Clause challenge was waived and noting "[i]t is well-established that a party generally may not challenge an agency decision on a basis that was not presented to the agency."). The Supreme Court's decision in *Arthrex* did not purport to excuse any and all such failures to raise Appointments Clause challenges below where a party had an opportunity to raise it following the Federal Circuit's decision but did not do so. Thus, Mobility has waived such a challenge here. Further, Mobility also waived the specific constitutional argument at issue in *Arthrex* by not raising the same argument at issue in *Arthrex* in Mobility's opening brief on appeal. Specifically, Mobility only argued that the appointment of the APJs was unconstitutional in its opening brief. *See* Appellant's Opening Br. at 56-58. But the Supreme Court instead based its opinion on an unconstitutional lack of reviewability by the Director, not an unconstitutional appointment. *See Arthrex*, 141 S.Ct. at 1988 ("the source of the constitutional violation is the restraint on the review authority of the Director, rather than the appointment of APJs by the Secretary"). Because Mobility never raised any

argument regarding an alleged unconstitutional lack of reviewability by the Director in its opening brief, Mobility waived it.

Second, in the event the Court deems Mobility's Appointments Clause challenge not waived, then the appropriate remedy consistent with the Supreme Court's holding in *Arthrex* is a limited remand to the Board to allow the Director or Acting Director an opportunity to decide whether to review the Final Written Decision. *See Arthrex*, 141 S. Ct. at 1987. Further, given the advanced stage of this appeal, to the extent this Court determines remand is appropriate, only a limited remand should be ordered, wherein this Court maintains jurisdiction, holding this appeal in abeyance until the Director decides whether to review the Final Written Decision. As this Court recently explained, "[i]n certain circumstances this court and our sister circuits have retained jurisdiction over appeals and held them in abeyance pending resolution of a limited issue." *Hyatt v. Hirshfeld*, 998 F.3d 1347, 1371 (Fed. Cir. 2021) (retaining jurisdiction over the appeal and remanding for a "limited purpose"); *see also, e.g., Sierra Club v. E.P.A.*, 551 F.3d 1019, 1023 (D.C. Cir. 2008) (noting that pending appeals were held in abeyance pending a petition for reconsideration before the agency). The decision of whether to review the Final Written Decision is a limited issue that should not derail the advanced stage of this appeal. Remand, for this limited purpose and without vacatur of the underlying decision, is consistent with *Arthrex*. 141 S.Ct. at 1988 ("Because the source of the

constitutional violation is the restraint on the review authority of the Director, rather than the appointment of APJs by the Secretary, Arthrex is not entitled to a hearing before a new panel of APJs.”). A broader remand or any relief that would allow Mobility to refile new briefs in a second appeal would be extremely prejudicial to Unified and would be a waste of resources. Mobility has seen Unified’s arguments, and it should not be allowed to alter its positions, especially since any such remand would be for a lack-of-supervision issue that Mobility never raised. In the event the Director or Acting Director decides not to review, then this appeal may resume where it left off and proceed to a decision on the merits. In the event the Director or Acting Director decides to review, then the parties can move this Court for a remand.

Third, Mobility improperly asks this Court to remand with instructions to the Director or Acting Director to issue a certificate confirming the patentability of the Challenged Claims based on the 12-to-18-month statutory deadline for final written decisions to issue following institution in 35 U.S.C. § 316(a)(11). Br. at 2-3. That deadline has already been complied with because the Board already met that deadline with its Final Written Decision here. The instant *inter partes* review was instituted on December 3, 2018 and the Final Written Decision was issued on December 2, 2019 (i.e., within 12 months). To interpret § 316(a)(11) differently so as to deprive the Board of the ability to hear a remand from this Court beyond 12-to-18 months would effectively render all remands from this Court to the Board

defective under that statute. Such a sweeping result cannot be correct. The Final Written Decision was timely issued regardless of any remand here. An instruction to the Director or Acting Director to issue a certificate confirming the patentability of all challenged claims is, therefore, wholly inappropriate.

Fourth, Mobility suggests that a remand would allow it an opportunity to further develop its belated Due Process Challenge that it had not previously raised before the Board. Br. at 3-4. *Arthrex*, however, provides for a limited remedy of allowing the Director or Acting Director the opportunity to decide to review final written decisions of the Board. *Arthrex*, 141 S. Ct. at 1987. *Arthrex* was not an invitation or directive to re-open the record as to additional belated Constitutional challenges or other new issues that had not been raised before the Board previously. As such, any remand should be limited to allowing the Director or Acting Director the opportunity to decide whether to review the Final Written Decision, and any such remand should not include instructions with regard to any additional Constitutional challenges or other new issues not previously raised before the Board.

Finally, Mobility provides commentary on the status of the Acting Director and alleged need for rulemaking. Br. at 5-7. This commentary is outside the scope of the Court's June 23, 2021 Order requesting supplemental briefing and effectively seeks this Court's advisory opinion as to issues that are not ripe and not presently before this Court. Unified, therefore, provides no response to this commentary.

Unified, therefore, respectfully requests that this Court find Mobility's Appointments Clause challenge waived and proceed to a decision on the merits of Mobility's appeal. Alternatively, if no waiver is found, then Unified respectfully submits that it does not oppose a limited remand to the Board without vacatur to allow an opportunity for the Director or Acting Director to decide whether to review the Final Written Decision, with this Court retaining jurisdiction and holding this appeal in abeyance pending a decision by the Director or Acting Director on whether to review the Decision.

Dated: July 21, 2021

Respectfully submitted,

/s/ Jason R. Mudd

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**CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME
LIMITATIONS**

This paper complies with the relevant type-volume limitation of the Federal Rules of Appellate Procedure and Federal Circuit Rules because it contains 6 pages of text, which does not exceed the maximum 10 pages of text authorized by this Court's June 23, 2021 Order (Dkt. No. 84).

/s/ Jason R. Mudd _____

Counsel for Appellee Unified Patents, LLC

CERTIFICATE OF INTEREST

Counsel for Unified Patents, LLC certifies the following:

1. The full name of every party represented in this case by me is: **Unified Patents, LLC.**
2. The name of every real party in interest if the entity above is not the real party in interest: **None.**
3. All parent corporations and any publicly held companies that own 10% or more of the stock of the party I represent are as follows: **Unified Patents Acquisition, LLC, Unified Patents Holdings, LLC, Unified Patents Management, LLC, UP HOLDCO Inc.**
4. The names of all law firms, partners, and associates that appeared for the party now represented by me in the trial court or agency or are expected to appear in this court for the party represented by me (excluding those who have already entered an appearance) are: **None.**
5. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir.R.47.5(b):
Mobility Workx, LLC v. Cellco Partnership d/b/a Verizon Wireless, 4:17-cv-00872-ALM (E.D. Tex.)

6. Pursuant to Fed. R. App. P. 26.1(b) and Fed. Cir. R. 47.4(a)(6), counsel for Unified Patents, LLC states this is not a criminal nor a bankruptcy case. Thus, there is no required disclosure.

Dated: July 21, 2021

/s/ Jason R. Mudd

Counsel for Appellee Unified Patents, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of July 2021, I caused the foregoing to be electronically filed using the Court's CM/ECF filing system. Counsel for the Appellant was electronically served by and through the Court's CM/ECF filing system pursuant to Fed. R. App. P. 25(c) and Fed. Cir. R. 25(e).

/s/ Jason R. Mudd _____

Counsel for Appellee Unified Patents, LLC