NOS. 2020-1425, 2022-1157, 2022-1159

IN THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

COREPHOTONICS, LTD.,
Appellant

v.

APPLE INC.,
Appellee

ANDREW HIRSHFELD, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

APPELLEE'S RESPONSE TO ORDER OF NOVEMBER 30, 2021

From the United States Patent and Trademark Office, No. IPR2018-01133
Before Marc S. Hoff, Bryan Moore, and Monica Ullagaddi,
Administrative Patent Judges

HAYNES AND BOONE, LLP

Debra J. McComas
Andrew S. Ehmke
2323 Victory Avenue
Suite 700
Dallas, Texas 75219
Phone: (214) 651-5375
Fax: (214) 200-0525

David W. O'Brien
Hong Shi
600 Congress Avenue
Suite 1300
Austin, Texas 78701
Phone: (512) 867-8457
Fax: (512) 867-8613

Angela M. Oliver
800 17th Street, NW
Suite 500
Washington, D.C. 20006
Phone: (202) 654-4552
Fax: (202) 654-4252

Attorneys for Appellee, Apple Inc.

CERTIFICATE OF INTEREST

Case Number	20-1425, 22-1157, 22-1159
Short Case Caption	Corephotonics, Ltd. v. Apple Inc. / Andrew Hirshfeld, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office
Filing Party/Entity	Appellee / Apple Inc.

Instructions: Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box**. Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: February 3, 2022

Signature: */s/ Debra J. McComas*

Name: Debra J. McComas

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	**2. Real Party in Interest.** Fed. Cir. R. 47.4(a)(2).	**3. Parent Corporations and Stockholders.** Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.
__ None / Not Applicable	**X** None / Not Applicable	**X** None / Not Applicable
Apple Inc.		

4. Legal Representatives. List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4). __ None/Not Applicable __ Additional pages attached		
Phillip W. Woo (formerly Haynes and Boone, LLP)	Priya B. Viswanath (Cooley LLP)	
Jamie H. McDole (formerly Haynes and Boone, LLP)		
Jordan Maucotel (Haynes and Boone, LLP)		

5. Related Cases. 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).

__ None/Not Applicable __ Additional pages attached

Corephotonics, Ltd. v. Apple Inc., 5:17-cv-6457 (N.D. Cal.)		

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

X None/Not Applicable __ Additional pages attached

TABLE OF CONTENTS

CERTIFICATE OF INTEREST i

TABLE OF AUTHORITIES v

ISSUES PRESENTED 1

ARGUMENT 2

I. The Constitution permits an Acting Director or other inferior officer to temporarily perform the responsibilities of a principal office when the principal office is vacant. 4

II. The Federal Vacancies Reform Act does not nullify Mr. Hirshfeld's decision. 10

CONCLUSION 17

CERTIFICATE OF COMPLIANCE 19

TABLE OF AUTHORITIES

Page(s)

Cases

Apple Inc. v. Corephotonics, Ltd.,
IPR2018-01140, Paper 41 (Sept. 28, 2021).....11

Apple Inc. v. Corephotonics, Ltd.,
IPR2019-00030, Paper 35 (Sept. 28, 2021).....11

Crawford-Hall v. United States,
394 F. Supp. 3d 1122 (C.D. Cal. 2019).....13

Edmond v. United States,
520 U.S. 651 (1997).....7

Ethicon Endo-Surgery, Inc. v. Covidien LP.,
812 F.3d 1023 (Fed. Cir. 2016).....10

Guedes v. Bureau of Alcohol, Tobacco, Firearms & Explosives,
920 F.3d 1 (D.C. Cir. 2019).....13

Morrison v. Olson,
487 U.S. 654 (1988).....7

N.L.R.B. v. Noel Canning,
573 U.S. 513 (2014).....6

Paulsen v. Remington Lodging & Hosp., LLC,
773 F.3d 462 (2d Cir. 2014).....11

Rodriguez v. Dep't of Veterans Affs.,
8 F.4th 1290 (Fed. Cir. 2021).....10, 11

Stand Up for California! v. U.S. Dep't of the Interior,
994 F.3d 616 (D.C. Cir. 2021), *cert. denied*, No. 21-696 (U.S. Jan. 10, 2022).....13, 14

Stand Up for California! v. United States Dep't of Interior,
298 F. Supp. 3d 136 (D.D.C. 2018).....13

United States v. Arthrex, Inc.,
141 S. Ct. 1970 (2021).....*passim*

United States v. Eaton,
169 U.S. 331 (1898).....*passim*

United States v. Peters,
No. 6:17-cr-55, 2018 WL 6313534 (E.D. Ky. Dec. 3, 2018).....8

United States v. Smith,
962 F.3d 755 (4th Cir.), *cert. denied*, 141 S. Ct. 930 (2020) 7, 8

United States v. Valencia,
No. 5:17-cr-882, 2018 WL 6182755 (W.D. Tex. Nov. 27, 2018).....8

Statutes

5 U.S.C. § 3345.....3

5 U.S.C. § 3347.....12

5 U.S.C. § 3348.....*passim*

28 U.S.C. § 561.....6

28 U.S.C. § 562.....6

35 U.S.C. § 3.....9, 14

35 U.S.C. § 6.....14

Other Authorities

7 C.F.R. § 2.35.....13

Arthrex Q&As, USPTO.gov, https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/arthrex-qas (last visited Feb. 3, 2022).....16

Dept. of Justice, Guidance on Application of Federal Vacancies Reform Act of 1998, 23 Op. O.L.C. 60 (1999), available at: https://www.justice.gov/olc/opinion/guidance-application-federal-vacancies-reform-act-1998.....12

Intellectual Property & Communications Omnibus Reform Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501, § 4745 9

S. Rep. No. 105-250 (1998) 6, 12

USPTO Implementation of an Interim Director Review Process Following Arthrex, USPTO.gov, https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/uspto-implementation-interim-director-review (last visited Feb. 3, 2022).....15

ISSUES PRESENTED

Apple Inc. submits this brief in response to the Court's November 30, 2021, Order (ECF No. 77) requesting briefing limited to the following two questions:

(1) whether review by an Acting Director appointed by the Secretary of Commerce is constitutionally sufficient under the Appointments Clause in view of *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021); and

(2) whether the review on remand by Andrew Hirshfeld was sufficient to remedy the Appointments Clause violation in this case.

Given the Court's limited request for briefing, Apple does not address aspects of Corephotonics' rehearing petition that fall outside the scope of the issues identified by the Court.

As discussed in detail below, Apple provides the following responses to the identified issues:

Issue #1: Review by an Acting Director or other inferior officer performing the responsibilities of the USPTO Director is constitutionally sufficient in view of *Arthrex*. Whether serving in an "acting" capacity under the Federal Vacancies Reform Act ("FVRA") or serving in a temporary fashion otherwise permitted, the lawful delegation and temporary nature of the role permit an inferior officer to, for a time, perform the responsibilities of an office that requires a presidential nomination and Senate confirmation ("a PAS office") while the PAS office is

otherwise vacant. *See United States v. Eaton*, 169 U.S. 331, 343–44 (1898); *see also infra* Section I.

Issue #2: Mr. Hirshfeld's review of the final written decision sufficed to remedy the earlier Appointments Clause violation in this case because the responsibilities of the Director were lawfully delegated to Mr. Hirshfeld, who is performing the responsibilities of the Director on a temporary basis (eliminating any potential constitutional issue, *see infra* Section I), and the responsibility at issue (rehearing) is not one reserved exclusively for the Director by statute or regulation, rendering the FVRA and its enforcement provision inapplicable, *see infra* Section II.

ARGUMENT

Well over a century ago, the Supreme Court held that an inferior officer may perform the responsibilities of a PAS office without violating the Appointments Clause because the inferior office does so only temporarily and, in doing so, remains an inferior officer. *United States v. Eaton*, 169 U.S. 331, 343–44 (1898). Nothing in *Arthrex* changed that holding; in fact, *Arthrex* cited *Eaton* favorably and noted its "holding that an inferior officer can perform [the] functions of [a] principal office on [an] acting basis." *Arthrex*, 141 S. Ct. at 1985. Thus, *Eaton* resolves the questions raised by this Court. Review by either an Acting Director or an inferior officer temporarily performing the same responsibilities is sufficient to satisfy the Appointments Clause in this case.

Separate from the constitutional question, Corephotonics briefly contends that Mr. Hirshfeld's actions were not in compliance with the FVRA. What Corephotonics fails to address, though, is that Congress carefully delineated the scope of actions that would be held to have "no force or effect" under the FVRA by expressly defining a "function or duty" of a vacant office as a responsibility that is *exclusive* to that office. *See* 5 U.S.C. § 3348(a)(2), (d). The responsibility at issue here—rehearing of a final written decision—is not exclusive to the USPTO Director. While *Arthrex* held that the USPTO Director must be *able* to rehear a final written decision, *Arthrex* did not hold that only the Director may do so. *See Arthrex*, 141 S. Ct. at 1984–86. Thus, because the Director does not have exclusive authority to rehear final written decisions, Mr. Hirshfeld's review carries full effect under the FVRA.[1]

Both the Supreme Court (in *Eaton*) and Congress (in designing the FVRA) recognized the significant harm to government operations that would occur if an inferior officer could not temporarily and finally perform the responsibilities of a vacant PAS office. This pragmatic concern is particularly evident during a change in presidential administration, which regularly brings about a high number of vacancies in PAS offices. Given the severe, government-wide impact that would

[1] Because the responsibility at issue here does not exclusively belong to the Director, thus rendering the FVRA inapplicable, Apple does not address whether Mr. Hirshfeld could satisfy the criteria of § 3345(a). *See* 5 U.S.C. § 3345(a).

occur if an inferior officer, such as Mr. Hirshfeld, were prevented from temporarily and finally performing the responsibilities of a vacant PAS office, the Court should hold that Mr. Hirshfeld's review of the final written decision in this case was fully effective to remedy any earlier Appointments Clause violation.

I. The Constitution permits an Acting Director or other inferior officer to temporarily perform the responsibilities of a principal office when the principal office is vacant.

Supreme Court precedent holds that having an individual fulfill the responsibilities[2] of a principal office on a temporary basis does not violate the Constitution's Appointments Clause because the individual does so in a *temporary* capacity only. It is the temporary nature of this necessary historical practice that squares this practice with the Appointments Clause.

The Court's decision in *United States v. Eaton*, 169 U.S. 331 (1898), fully resolves the constitutional question here.[3] In *Eaton*, the Court held that an inferior officer (who had not been confirmed by the Senate) could temporarily serve in a principal-officer role without violating the Appointments Clause. *Id.* at 343–44. There, the consul general of the United States to Siam fell ill, and another individual acted in his stead. The Court rejected an argument that having a "subordinate officer"

[2] Apple refers to the "responsibilities" of a vacant office to avoid confusion with the statutory definition of "function or duty" in the FVRA, § 3348(a)(2).

[3] Tellingly, Corephotonics entirely fails to address *Eaton*.

be "charged with the duty of temporarily performing the functions of the consular office" violated the Appointments Clause, reasoning that such an argument "disregards both the letter and spirit of the constitution." *Id.* at 343.

While the Court recognized that the Appointments Clause required the consul to be appointed by the President and confirmed by the Senate, the Court explained that having an inferior officer undertake the responsibilities of a principal office does not present an Appointments Clause issue because the inferior officer remains an inferior officer; he or she does not become a principal officer merely by temporarily acting in a principal-officer role. *Id.* (explaining that the appointment of "a subordinate and temporary officer like that of vice consul" is "within the grant of power" of § 2, art. 2 providing for appointment of inferior officers). The Court reasoned that "[b]ecause the subordinate officer is charged with the performance of the duty of the superior ***for a limited time, and under special and temporary conditions***, he is not thereby transformed into the superior and permanent official." *Id.* (emphasis added).

As the Court outlined in *Eaton*, the practice of having an individual perform the responsibilities of a vacant PAS office on a temporary basis had been conducted and approved of since early in the country's history. *See id.* at 343–44. For example, the Court discussed with approval an 1832 opinion from Attorney General Taney regarding whether a deceased consul's son, who temporarily discharged the duties

of the consular office upon his father's death (despite having no appointment whatsoever), was entitled to the pay of that office. *Id.* Attorney General Taney's opinion agreed that the son should be entitled to the consul's pay, reasoning that the son "was the de facto consul for the time" and "[t]he public interest requires that the duties of the office should be discharged by some one." *See id.* at 344. The Court likewise applied this practical reasoning, explaining that, otherwise, "the discharge of administrative duties would be seriously hindered." *See id.* at 343.[4]

Eaton is consistent with historical practice regarding vacancies near the time of the nation's founding. *See N.L.R.B. v. Noel Canning*, 573 U.S. 513, 600 (2014) (Scalia, J., concurring in the judgment) ("Congress can authorize 'acting' officers to perform the duties associated with a temporarily vacant office—and has done that, in one form or another, since 1792."); S. Rep. No. 105-250, at 3 (1998)[5] ("Congress has passed legislation since the Washington Administration to provide for temporary officials to perform the functions and duties of vacant positions requiring the advice

[4] Even the U.S. Marshals Service would be severely impaired by a holding that an individual temporarily serving in the role of a PAS office must themselves be appointed by the president and confirmed by the Senate (or else the office must remain vacant). U.S. Marshals are appointed by the President and confirmed by the Senate, but when a vacancy occurs, the Attorney General designates an individual to temporarily act as marshal. *See* 28 U.S.C. §§ 561(c), 562.

[5] This Senate Report is available at https://www.congress.gov/105/crpt/srpt250/CRPT-105srpt250.pdf and through the following Westlaw citation: S. Rep. No. 105-250, 1998 WL 404532.

and consent of the Senate."). Moreover, since *Eaton*, the Supreme Court has often relied on *Eaton's* reasoning, including most recently in *Arthrex* itself. *See Arthrex*, 141 S. Ct. at 1985; *see also Edmond v. United States*, 520 U.S. 651, 661 (1997) (characterizing the "vice consul charged temporarily with the duties of the consul" in *Eaton* as an inferior officer); *Morrison v. Olson*, 487 U.S. 654, 672–73 (1988) (discussing *Eaton*'s approval of the vice consul's appointment during the consul's absence "notwithstanding the Appointment Clause's specific reference to 'Consuls' as principal officers"). Indeed, in *Arthrex*, the Court noted the "special and temporary conditions" reasoning from *Eaton* and characterized *Eaton* as "holding that an *inferior officer can perform functions of [a] principal office on [am] acting basis*." *Arthrex*, 141 S. Ct. at 1985 (emphasis added) (quoting *Eaton*, 169 U.S. at 343).

The Fourth Circuit recently addressed the relationship between the Appointments Clause and acting officials in rejecting an argument that the Federal Vacancies Reform Act ("FVRA") violates the Appointments Clause. *United States v. Smith*, 962 F.3d 755, 762–65 (4th Cir.), *cert. denied*, 141 S. Ct. 930 (2020). The Court rejected the constitutional argument, concluding that the constitutionality of the acting official was "a conclusion that is plainly compelled by both longstanding Supreme Court precedent as well as centuries of unbroken historical practice." *Id.* at 763. Consistent with *Eaton*, the court framed the issue as whether the *acting* official

(there, the Acting Attorney General) is a principal officer or an inferior officer. *Id.* at 764. Unsurprisingly, the Court found *Eaton* controlling. *Id.* The Court held that "[s]omeone who temporarily performs the duties of a principal officer is an inferior officer for constitutional purposes, and accordingly *may occupy that post without having been confirmed with the advice and consent of the Senate*." *Id.* (emphasis added).

Other courts have addressed similar arguments and have held that no Appointments Clause violation exists. *See, e.g.*, *United States v. Peters*, No. 6:17-cr-55, 2018 WL 6313534, at *4 (E.D. Ky. Dec. 3, 2018) ("[T]he 'Acting' tag—with its accompanying 'limited' and 'temporary' freight—carries real weight for Appointments Clause purposes."); *United States v. Valencia*, No. 5:17-cr-882, 2018 WL 6182755, at *5–7 (W.D. Tex. Nov. 27, 2018). Indeed, Corephotonics has not cited a single case (and Apple is not aware of any) holding to the contrary.

In *Eaton* and its progeny, the constitutionality of having temporary officials perform the responsibilities of a vacant PAS office does not depend on the nature of the responsibility being performed. Thus, the fact that Corephotonics suggests that an inferior officer cannot issue a "final" decision does not change the analysis. *See* Corephotonics' Br. 9. Neither *Eaton* nor the courts that have followed *Eaton* have based the constitutionality of an inferior officer's temporarily performing the responsibilities of a PAS office on the nature of the particular responsibility at issue.

There is no indication in *Eaton*, for example, that the acting official performed anything less than the full scope of the consul's responsibilities. *See Eaton*, 169 U.S. at 343–44.

There is no argument here that the USPTO lacked authority to establish a general order of succession for situations in which the top two positions at the USPTO are vacant. On the contrary, the USPTO Director authorized Commissioner Hirshfeld to "perform the [Director's] non-exclusive functions and duties" when, as now, the Director and Deputy Director positions are vacant. *See* USPTO Agency Organization Order 45-1, § II(D) (Nov. 7, 2016).[6] That delegation, in turn, is authorized by multiple authorities, including 35 U.S.C. § 3(b)(3)(B), which permits the Director to "delegate" to other officers "such of the powers vested in the Office as the Director may determine." 35 U.S.C. § 3(b)(3)(B); *see also* Intellectual Property & Communications Omnibus Reform Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501, § 4745[7] (expressly permitting delegations and redelegations);

[6] The government has filed a copy of Agency Organization Order 45-1 in this case. *See* Addendum to Intervenor's Resp., ECF No. 85.

[7] This statutory provision (§ 4745) states:

> "Except as otherwise expressly prohibited by law or otherwise provided in this subtitle, an official to whom functions are transferred under this subtitle (including the head of any office to which functions are transferred under this subtitle) ***may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate***.

Ethicon Endo-Surgery, Inc. v. Covidien LP., 812 F.3d 1023, 1031–33 (Fed. Cir. 2016) (explaining "longstanding rule that agency heads have implied authority to delegate to officials within the agency"); *Rodriguez v. Dep't of Veterans Affs.*, 8 F.4th 1290, 1307 (Fed. Cir. 2021) ("When a statute delegates authority to a federal officer or agency, subdelegation to a subordinate federal officer or agency is presumptively permissible absent affirmative evidence of a contrary congressional intent." (quoting *U.S. Telecom Ass'n v. FCC*, 359 F.3d 554, 565 (D.C. Cir. 2004))).

Mr. Hirshfeld is acting pursuant to that delegation of authority. Given clear precedent holding that the Appointments Clause is not violated by having an inferior officer who is not confirmed by the Senate temporarily perform the responsibilities of a vacant PAS office, the Court should hold that an individual serving in this temporary capacity (whether "acting" or performing the same responsibilities) is doing so consistent with the Appointments Clause.

II. The Federal Vacancies Reform Act does not nullify Mr. Hirshfeld's decision.

In a single sentence, Corephotonics further suggests that Mr. Hirshfeld lacked capacity to act under the Federal Vacancies Reform Act ("FVRA"). *See*

> No delegation of functions under this section or under any other provision of this subtitle shall relieve the official to whom a function is transferred under this subtitle of responsibility for the administration of the function."

Corephotonics Br. 7. As an initial matter, the Court should decline to address this cursory argument because Corephotonics did not sufficiently develop the argument for the Court's consideration, and "[a]n issue that is merely alluded to and not developed as an argument in a party's brief is deemed waived." *See Rodriguez*, 8 F.4th at 1305.

Further, Corephotonics forfeited this argument by failing to adequately raise it before the USPTO. SAppx17 (mentioning the FVRA in a single conclusory sentence without discussion). Indeed, by the time Corephotonics received a denial of its request for review in this case, Mr. Hirshfeld had already denied review in over a dozen other cases—including two requests for review by Corephotonics itself. *See Apple Inc. v. Corephotonics, Ltd.*, IPR2019-00030, Paper 35 (Sept. 28, 2021); *Apple Inc. v. Corephotonics, Ltd.*, IPR2018-01140, Paper 41 (Sept. 28, 2021). Thus, no basis exists to raise this issue for the first time on appeal. In similar circumstances, courts have declined to address FVRA challenges on appeal. *See, e.g.*, *Paulsen v. Remington Lodging & Hosp., LLC*, 773 F.3d 462, 467–68 (2d Cir. 2014) (holding an FVRA challenge forfeited where "the facts and legal arguments necessary to mount a challenge" to an individual's appointment were available, yet a party did not raise an FVRA challenge until appeal). The Court should follow that course here and hold that Corephotonics forfeited any challenge under the FVRA.

In any event, the FVRA does not apply here, and Corephotonics offers no explanation of why it should. Indeed, while the FVRA is "exclusive," 5 U.S.C. § 3347(a), Congress carefully outlined the narrow circumstances when its provisions apply, none of which exist here.

In particular, the FVRA limits its reach to certain "function[s] and dut[ies]" that are required by statute or regulation "to be performed by the applicable officer (*and only that officer*)." § 3348(a)(2) (emphasis added); *see also* § 3348(d) (regarding actions having "no force or effect"). Thus, Congress specifically designed the FVRA to retain flexibility in this regard, recognizing that functions and duties that are central and exclusive to a PAS office should be performed in accordance with the FVRA's requirements (or otherwise left to a department head, *see* § 3348(b)), but also recognizing that the federal government would grind to a halt if delegable duties could not be performed without compliance with the FVRA's qualification requirements and time limitations. *See, e.g.,* S. Rep. 105-250, at 17–19; *see also* Dept. of Justice, Guidance on Application of Federal Vacancies Reform Act of 1998, 23 Op. O.L.C. 60, 72 (1999) (Question 48 and Answer).[8]

Consistent with the text of the FVRA, courts have interpreted the FVRA as limiting only the performance of *exclusive* responsibilities of a PAS office. *E.g.*,

[8] This Guidance is available at https://www.justice.gov/olc/opinion/guidance-application-federal-vacancies-reform-act-1998.

Crawford-Hall v. United States, 394 F. Supp. 3d 1122, 1132–33 (C.D. Cal. 2019) ("[B]y defining functions or duties as those to be performed 'only' by a PAS officer, the FVRA was intended to pertain only to 'exclusive' functions or duties."). Thus, delegable actions may be performed by non-PAS officers regardless of compliance with the FVRA's qualification requirements and time limitations. *See, e.g.*, *Stand Up for California! v. United States Dep't of Interior*, 298 F. Supp. 3d 136, 141–49 (D.D.C. 2018) (holding that a final fee-to-trust action by agency was delegable and, thus, that a non-PAS officer could perform the final action without violating the FVRA); *see also Stand Up for California! v. U.S. Dep't of the Interior*, 994 F.3d 616, 622 (D.C. Cir. 2021) ("*Stand Up for California! II*") ("[T]he FVRA provides the Executive Branch with leeway to set out which functions or duties are exclusive and which are not."), *cert. denied*, No. 21-696 (U.S. Jan. 10, 2022); *Guedes v. Bureau of Alcohol, Tobacco, Firearms & Explosives*, 920 F.3d 1, 12 (D.C. Cir. 2019) (noting the limited scope of § 3348(d)).

Mr. Hirshfeld's review of the final written decision in this case is not a duty reserved exclusively to the USPTO Director. Indeed, as seen in the context of other executive agencies, final decision-making authority is often delegated to subordinate officers. *See, e.g.*, 7 C.F.R. § 2.35(a)(1) (Secretary of Agriculture delegating authority to act "as final deciding officer in adjudicatory proceedings" to a "Judicial Officer"). Similarly, here, neither the relevant statute nor the agency's interim

procedures indicate that the Director's permissive ability to review a final written decision cannot be delegated.

The relevant provision of the America Invents Act does not require the Director and *only* the Director to perform the function of rehearing IPR decisions. To the contrary, the statute specifically contemplates that PTAB panels may also "grant rehearings" in IPRs. 35 U.S.C. § 6(c); *see also* § 3(b)(3)(B) (Director can "delegate" to other officers "such of the powers vested in the Office as the Director may determine"). Congress did not provide that only the Director can grant rehearing, and "the FVRA provides the Executive Branch with leeway to set out which functions and duties are exclusive and which are not." *Stand Up for California! II*, 994 F.3d at 622.

Arthrex does not change this analysis. The Court's concern in *Arthrex* focused on the "*insulation* of PTAB decisions from any executive review," i.e., that the Director was *prohibited* from reviewing PTAB decisions. *See Arthrex*, 141 S. Ct. at 1982 (emphasis added). Indeed, *Arthrex* does not require Director rehearing at all, but merely "hold[s] that 35 U.S.C. § 6(c) is unenforceable as applied to the Director insofar as it *prevents* the Director from reviewing the decisions of the PTAB on his own." 141 S. Ct. at 1987 (plurality op.)[9] (emphasis added). *Arthrex* simply held that

[9] Four justices joined the portion of the lead opinion in *Arthrex* that addresses the remedy. *See Arthrex*, 141 S. Ct. at 1986–88. However, an additional three justices agreed with the remedy through Justice Breyer's opinion, which "agree[s] with [the

"[t]he Director . . . *may review* final PTAB decisions and, upon review, *may issue* decisions himself on behalf of the Board." *Id.* at 1987 (plurality op.) (emphases added); *id.* ("The Director *may* engage in such review and reach his own decision.") (plurality op.) (emphasis added). Nothing in *Arthrex* granted the Director exclusive authority to rehear final written decisions, interpreted the AIA to confer such exclusive authority, or prohibited the Director from delegating such authority to other officers. Accordingly, no statutory provision requires this function to be performed by the Director and only the Director. *See* 5 U.S.C. § 3348(a)(2)(A).

Further, no regulation requires rehearing to be conducted by the Director and only the Director. *See* 5 U.S.C. § 3348(a)(2)(B). Under the USPTO's interim process implementing Director review, Director review "may be initiated sua sponte by the Director or requested by a party to a PTAB proceeding." *See* USPTO Implementation of an Interim Director Review Process Following Arthrex, USPTO.gov, https://www.uspto.gov/patents/patent-trial-and-appeal-

---

Court's] remedial holding." *Id.* at 1997 (Breyer, J., joined by Sotomayor & Kagan, JJ., concurring in the judgment in part and dissenting in part). Regardless, the key holding is reflected in the portions of the Chief Justice's lead opinion joined by a majority: the "*insulation* of PTAB decisions from any executive review" was the concern—not the lack of an additional, affirmative stamp of approval from the Director. *See id.* at 1982 (emphasis added); *see also id.* at 1986 (majority framing the concern as "Congress['] [] assign[ing] APJs 'significant authority' in adjudicating the public rights of private parties, while also insulating their decisions from review").

board/procedures/uspto-implementation-interim-director-review (last visited Feb. 3, 2022). Director review, however, is not mandatory. Instead, the USPTO has structured Director review as one of two alternative options for seeking rehearing of a final written decision. "[A] party may request *either* Director review or rehearing by the original PTAB panel, *but may not request both*." *See* Arthrex Q&As, USPTO.gov, https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/arthrex-qas (last visited Feb. 3, 2022) (emphasis added) ("Arthrex Q&As"). If a party requests review under one of those options and is unsuccessful, the party may not request review under the other option. *See* Arthrex Q&As, A3. Thus, like the relevant statute, nothing about the agency procedures for Director review indicates that rehearing may be performed *only* by the Director.

Accordingly, the responsibility at issue here—rehearing of a final written decision—is a non-exclusive duty that does not fall within the statutory definition of "function or duty" in the FVRA.[10] *See* §§ 3348(a)(2), (d). Thus, the Court should

[10] The responsibility at issue cannot be framed as providing a final stamp of approval on a final written decision. Given that Director review is entirely permissive (and unnecessary for finality), and that both the statute and agency procedures allow rehearing to be performed by a panel of the Board (without Director involvement), no such stamp of approval by the Director is required. *See Arthrex*, 141 S. Ct. at 1987 (plurality op.); *id.* at 1988 (plurality op.) ("To be clear, the Director need not review every decision of the PTAB.").

reject any argument that Mr. Hirshfeld's review and denial of Corephotonics' request for rehearing violated the FVRA.

CONCLUSION

Apple respectfully requests that the Court hold that Mr. Hirshfeld's review of the final written decision in this case was consistent with the Appointments Clause and fully sufficient to remedy the earlier Appointments Clause violation in this case. Apple requests such further relief to which it should be entitled.

Respectfully Submitted,

HAYNES AND BOONE, LLP

/s/ Debra J. McComas

Debra J. McComas
Andrew S. Ehmke
2323 Victory Avenue, Suite 700
Dallas, Texas 75219
Phone: (214) 651-5375
Fax: (214) 200-0525
Debbie.McComas@haynesboone.com
Andy.Ehmke@haynesboone.com

David W. O'Brien
Hong Shi
600 Congress Avenue
Suite 1300
Austin, Texas 78701
Phone: (512) 867-8457
Fax: (512) 867-8613
David.OBrien@haynesboone.com
Hong.Shi@haynesboone.com

Angela M. Oliver
800 17th Street NW, Suite 500
Washington, D.C. 20006
Phone: (202) 654-4552
Fax: (202) 654-4252
Angela.Oliver@haynesboone.com

Attorneys for Appellee, Apple Inc.

CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing complies with the 20-page limitation set by the Court's November 30, 2021 Order, excluding parts exempted by Fed. Cir. R. 32.

/s/ Debra J. McComas
Debra J. McComas