



ARE PTAB Alert: With Consent of All Parties, U.S. Government Seeks Stay of Mandate In Arthrex For 90 Days or Until Resolution of Petitions for Certiorari to the Supreme Court

Author(s): Charles R. Macedo, David P. Goldberg,

As we previously reported on October 31, 2019, a three-judge panel of the U.S. Court Appeals for the Federal Circuit found that Administrative Patent Judges (“APJs”) for the Patent Trial and Appeals Board (“PTAB”) were “principal officers” of the U.S. and thus appointed in violation of the Appointment Clause of the U.S. Constitution, U.S. Const., art. II, §2, cl. 2. *Arthrex v. Smith & Nephew*, [No. 2018-2140, slip op. \(Fed. Cir. Oct. 31, 2019\)](#); see Charles R. Macedo, [ARE PTAB Law Alert: FEDERAL CIRCUIT DECLARES PTAB APJs TO BE SUPERIOR OFFICERS APPOINTED IN AN UNCONSTITUTIONAL MANNER, BUT OFFERS A FIX GOING FORWARD WITH LIMITED RELIEF GOING BACK](#) (Nov. 4, 2019). As part of the October 31, 2019 panel decision, in addition to vacating the final written decision of the PTAB, the panel also declared the Title 5 protection of PTAB APJs to be unconstitutional as of October 31, 2019.

Thereafter, as also previously reported, all the parties, including the Petitioner, the U.S. Government (as Intervenor) and even the winning Patent Owner, petitioned the Federal Circuit for rehearing/rehearing en banc. These petitions were denied on March 23, 2020. *Arthrex v. Smith & Nephew*, No. 2018-2140 (Fed. Cir. Mar. 23, 2020) (per curiam); see Charles R. Macedo, David Goldberg and Chandler Sturm, [ARE PTAB Alert: IN A SPLIT DECISION, THE FEDERAL CIRCUIT DENIED REHEARING AND REHEARING EN BANC IN ARTHREX v. SMITH & NEPHEW, INC. REGARDING THE CONSTITUTIONALITY OF HOW PTAB APJs ARE APPOINTED](#) (March 23, 2020).

On Thursday, March 26, 2020, the U.S. Government, as Intervenor, requested the Federal Circuit to stay the mandate in *Arthrex* for 90 days or until resolution of any Petitions for Certiorari to the U.S. Supreme Court. All the parties consented to the stay. The next day, the Patent Owner *Arthrex* submitted a response joining in the U.S. Government’s request to stay the mandate and confirming that it will file a Petition for Certiorari to the U.S. Supreme Court.

It now seems certain that the U.S. Supreme Court will be presented with an opportunity to weigh in on whether PTAB APJs are “principal officers” or “inferior officers” and, in the event that they are “principal officers,” whether the “fix” implemented in *Arthrex* correct.

We will continue to monitor the situation and report on further developments as they occur. For



more information, please contact us.

UPDATE: On Monday, March 30, 2020, the United States Court of Appeal for the Federal Circuit issued a per curiam order denying the Government's motion to stay the mandate in *Arthrex*.

The panel held that the “delay contemplated by the United States could cause harm” to the public interest, as it could cause the continuation of stays in proceedings involving patent claims deemed unpatentable by the Board. This, the panel reasoned, could “have the effect of leaving the patent claims in force and also could cause the continued obligation to pay fees under license agreements...that require payment until a final adjudication of invalidity.”

Thus, the panel concluded that the “public interest under these circumstances favors denying the stay.”

* [Charles R. Macedo](#) is a partner, [David P. Goldberg](#) is an associate, and Chandler Sturm is a law clerk at Amster, Rothstein & Ebenstein LLP. Their practice focuses on all facets of intellectual property law, including patent, trademark and copyright law. They also practice before the PTAB and the U.S. Court of Appeals for the Federal Circuit. They can be reached at cmacedo@arelaw.com, dgoldberg@arelaw.com, and csturm@arelaw.com.

Mr. Macedo, as Co-Chair of the PTAB Committee, along with Mr. Goldberg, as Co-Chair of the Amicus Brief Committee, represented the New York Intellectual Property Law Association in an amicus brief submission before the U.S. Court of Appeals at the Federal Circuit in support of the Petition for Rehearing En Banc in *Arthrex*.