



## ARE PTAB Alert: PTAB Puts Halt To Remands Under Arthrex Until Scotus Decides

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As previously reported, last October a panel at the Federal Circuit held that Administrative Patent Judges (“APJs”) of the PTAB were principal officers of the U.S. Government, and appointed in violation of the Appointments Clause of the U.S. Constitution. [Arthrex v. Smith & Nephew, No. 2018-2140, slip op. \(Fed. Cir. Oct. 31, 2019\)](#) ; see also 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). This decision was highly controversial, and eventually resulted in all of the parties to *Arthrex* seeking to have the full Federal Circuit reconsider the decision *en banc* . Charles R. Macedo, David Goldberg, Chandler Sturm, [‘Arthrex v. Smith & Nephew’: Are PTAB APJs Constitutionally Appointed?](#), National Law Journal (Mar. 23, 2020). Notwithstanding the unanimous call for the full Court to reconsider this decision, and the dissent by 4 of the Court’s Judges, rehearing *en banc* was denied on March 23, 2020. See *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 2018-2140, Order (Fed. Cir. Mar. 23, 2020) (denying rehearing and rehearing *en banc*); see also Charles R. Macedo, David Goldberg, 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). Further, many cases were summarily vacated and remanded under *Arthrex*. It is expected that this issue will be presented in one or more petitions for certiorari to the U.S. Supreme Court. Charles R. Macedo, David Goldberg, Chandler Sturm, [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](#) (March 30, 2020).

The U.S. Government had requested the Federal Circuit, in an unopposed motion, to stay the mandate until the U.S. Supreme Court was allowed an opportunity to weigh in on *Arthrex*. However, the panel denied the request stating 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 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.” *Arthrex, Inc. v. Smith*



& Nephew, Inc., No. 2018-2140, Order (Fed. Cir. Mar. 30, 2020) (denying motion to stay mandate).

Now, Chief Administrative Patent Judge Scott R. Boalick issued a “General Order” in over 100 PTAB proceedings today, that “held in abeyance” the actions remanded under the Federal Circuit’s decision in *Arthrex*. Under the General Order, Chief APJ Boalick ordered that “until all appellate rights have been exhausted” he exercised his discretion to: “(1) suspend the requirements in SOP 9 [to contact the Board to schedule telephone conferences] in cases remanded by the Federal Circuit under *Arthrex*; and (2) hold all such cases in administrative abeyance until the Supreme Court acts on a petition for certiorari or the time for filing such petitions expires.” United States Patent and Trademark Office, GENERAL ORDER IN CASES REMANDED UNDER *ARTHREX, INC. V. SMITH & NEPHEW, INC.*, 941 F.3D 1320 (FED. CIR. 2019) (PTAB May 1, 2020).

For now, it looks like none of the remands will go forward, although original proceedings continue to go forward.

We will continue to monitor this issue and report on developments. In the meantime, for more information about *Arthrex* and PTAB proceedings, please feel free to contact us.

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