

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

ARTHREX, INC.,

Appellant,

v.

SMITH & NEPHEW, INC., ARTHROCARE
CORP.,

Appellees

UNITED STATES,

Intervenor.

No. 2018-2140

**UNOPPOSED MOTION BY THE UNITED STATES FOR LIMITED
REMAND**

The United States respectfully moves for a limited remand of this case for the purpose of providing the Senate-confirmed Director of the United States Patent and Trademark Office with the opportunity to consider whether to rehear the Patent Trial and Appeal Board decision that is the subject of this appeal. By ordering a limited remand, the Court can obviate appellant Arthrex Inc.'s constitutional and statutory challenges to the denial of Director review issued by Andrew Hirshfeld. If a limited remand is issued, the Director will endeavor to decide expeditiously whether to grant Director review, avoiding any substantial delay in the resolution of this appeal. This motion is unopposed.

1. This case arises from a challenge to a final written decision of the Board in an inter partes review proceeding. In October 2019, this Court heard argument in this case and issued a decision. This Court's decision was then reviewed by the Supreme Court, which vacated this Court's decision and remanded. *See generally United States v. Artbrex, Inc.*, 141 S. Ct. 1970 (2021). Pursuant to the Supreme Court's decision, on July 28, 2021, this Court issued an order remanding the case to the USPTO for the limited purpose of allowing appellant the opportunity to request Director review of the Board's final written decision. Doc. No. 144. The Court otherwise retained jurisdiction over the appeal and entered a stay. *Id.* The Court further specified that in the event of the denial of Director review, appellant should notify the Court of that fact within 14 days so that the appeal could be reactivated. *Id.* And the Court directed that if rehearing were granted, the government should notify the Court of the decision and potentially move for the case to be remanded in full. *Id.*

2. On limited remand, appellant filed a request for Director review. At the time, USPTO was without a Senate-confirmed Director. The rehearing request was referred to Commissioner for Patents Andrew Hirshfeld, who was exercising the delegable duties and functions of the Director. Commissioner Hirshfeld issued a summary order denying Director review.

3. Appellant notified the Court of the denial of its request for Director review and the appeal was reactivated. Appellant also filed an amended notice of appeal in order to challenge the denial of Director review. In supplemental briefing, appellant

argued that only a Senate-confirmed Director could consider its request for Director review and that Commissioner Hirshfeld's order denying review violated the Constitution, the Federal Vacancies Reform Act, and separation-of-powers principles.

4. This Court heard oral argument on March 30, 2022. The argument addressed both appellant's challenge to the denial of Director review and also appellant's challenge to the underlying Board decision.

5. Subsequent to oral argument, Katherine Vidal was confirmed by the Senate to be the Director of the USPTO, and Director Vidal was sworn in on April 13, 2022. As a result, the USPTO is now in a position to provide the Director review to which appellant claims entitlement.

6. The United States stands by the arguments it has made in this case and continues to believe that appellant's challenges to Commissioner Hirshfeld's order lack merit. Nonetheless, as a matter of discretion, and to spare the Court the need to resolve appellant's claims, we ask the Court to issue a limited remand order akin to the one issued once before in this case. Specifically, we ask the Court to remand the case for the limited purposes of allowing Director Vidal to determine whether she wishes to rehear the Board's decision, while otherwise retaining jurisdiction.

7. If this Court orders a limited remand, Director Vidal will make a determination whether to grant Director review based on the request for Director rehearing that was previously submitted, *see* Appellant's Suppl. Br., Ex. B, so further briefing before the agency will be unnecessary. Director Vidal will endeavor to make a

determination expeditiously as to whether Director review will be granted. In the event that Director review is denied, we will promptly notify the Court so that this appeal can be reactivated. If Director review is granted, we will file a motion seeking a full remand of this appeal.

8. We recognize that substantially more than a month has passed since this case was argued and that the Court likely has already devoted substantial time to its consideration of the case. Unfortunately, Director Vidal's onboarding process has been time consuming, and the government therefore was not in a position to file this motion sooner. Nonetheless, even at this juncture, a remand will serve the interests of judicial economy by sparing the Court the need to resolve appellant's claims and by avoiding the possibility of continued rounds of litigation over the cross-cutting constitutional and statutory issues raised in appellant's supplemental brief.

9. As the Court is likely aware, several dozen other cases involving challenges to denials of Director review issued by Mr. Hirshfeld are presently pending before this Court. Because this case is in the most advanced procedural position, we are seeking a remand in this case first, but the government intends to seek voluntary remands in all cases involving such challenges.

10. Counsel for both the appellant and the appellees have authorized us to state that this motion is unopposed.

CONCLUSION

For the foregoing reasons, the Court should order a limited remand.

Respectfully submitted,

SCOTT R. MCINTOSH

/s/ Joshua Salzman

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MAY 2022

CERTIFICATE OF COMPLIANCE

I hereby certify that this motion complies with the applicable type-volume requirements because it was prepared in Garamond, a proportionally-spaced font, and contains 881 words according to the count of Microsoft Word.

/s/ Joshua M. Salzman

Joshua M. Salzman

CERTIFICATE OF SERVICE

I hereby certify that on May 17, 2022, I electronically filed the foregoing motion with the Clerk of the Court by using the appellate CM/ECF system.

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

/s/ Joshua M. Salzman

Joshua M. Salzman