

2018-1768

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

POLARIS INNOVATIONS LIMITED,
Appellant

v.

KINGSTON TECHNOLOGY COMPANY, INC.,
Appellee

UNITED STATES,
Intervenor

APPEAL FROM THE UNITED STATES PATENT AND TRADEMARK
OFFICE, PATENT TRIAL AND APPEAL BOARD NO. IPR2016-01621

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June 5, 2019

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CERTIFICATE OF INTEREST

Counsel for Appellant Polaris Innovations Limited (“Polaris”) in Appeal No. 2018-1768 certifies the following:

1. The full name of every party or amicus represented by me is:

Polaris Innovations Ltd.

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

Quarterhill Inc.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

Wi-LAN Inc.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Parham Hendifar, Lowenstein & Weatherwax, LLP.

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court’s decision in the pending appeal are:

Polaris Innovations Limited v. Kingston Technology Company, Inc., 8:16-cv-00300 (C.D. Cal).

Dated: June 05, 2019

/s/ Matthew D. Powers
Matthew D. Powers

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I. INTRODUCTION

APJs are “Officers” who were not Presidentially appointed or Senate-confirmed. No Executive official can unilaterally overrule them except on a strained reading of the statute that does not withstand scrutiny. *See, e.g.*, U.S. Br. at 6-7; Kingston Br. (“Resp.”) at 40, 42-43. The APJs’ *work* is not directed or supervised by any Principal Officer. *Edmond v. United States*, 520 U.S. 651, 663 (1997). The United States’ arguments do not salvage the constitutionality of their appointment, and this Court should therefore vacate and remand for dismissal.

Further, this Court should reverse if it does not dismiss for unconstitutionality. Kingston cannot justify the Board’s unauthorized institution on a *sua sponte* ground, nor can it defend the remainder of the Board’s decision, which is based on no substantial evidence, an improper implicit construction, and wholesale disregard of Polaris’s objective evidence. Kingston’s late, conditional request for remand under *SAS* was waived.

II. THE BOARD’S *SUA SPONTE* GROUND REQUIRES REVERSAL

The combination of Atkinson, Broadwater, and Miller was not a ground in Kingston’s petition. Appx45-115. The Board created it *sua sponte* by adding Miller to Ground 2 as a third reference of the combination. Appx30-33. In the *other* grounds, where Miller is even mentioned it is only relied upon for an obvious-to-try argument, as an ancillary reference purportedly showing finite alternate options for

a thermal sensor at the time of invention—*not* to supply missing limitations. Principal Brief (“Br.”) at 33, Appx71, Appx91, Appx105. Kingston did not include Miller in its list of “prior art offered for the present unpatentability challenges.” Appx60-62. When the Board instituted, it stated unequivocally that “Atkinson, Broadwater, and Miller” is a “separate ground of unpatentability.” Appx183 n.4. By *sua sponte* adding a new ground, the Board departed from the grounds in the petition. This requires reversal. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018).

Nothing justifies this *SAS* violation. Kingston points to its attachment of Miller as an exhibit to the petition (Appx966-972), the petition’s general introduction (Appx62) which does not refer to Miller, and the petition’s (and accompanying declaration’s) reference to Miller as disclosing “one example of the finite alternate types of integrated circuits for detecting temperature” in Ground 1 (Appx71-72, Appx695 (¶¶ 52-53)). Resp. at 24-25. None of these shows that a combination of Atkinson, Broadwater, *and Miller* was a petitioned ground. Indeed, Kingston’s expert admitted that where Miller is discussed, it is not part of the identified combination with Atkinson. Appx1175 at 116:17-19; Appx1177 at 123:1-25. Contrary to Kingston’s assertion (at 25-26), Kingston’s petition simply does not, as the rules require, identify “in writing and *with particularity*, each claim challenged, *the grounds on which the challenge to each claim is based*,” 35 U.S.C. § 312(a)(3), and “[t]he specific statutory grounds . . . on which the challenge to the

claim is based and *the patents or printed publications relied upon for each ground*,” 37 C.F.R. §§ 42.104(b)(2), (5).¹

Kingston’s claim (at 27) that “[t]he Board applied the same theory of unpatentability (obviousness) using the same set of references (Atkinson, Broadwater and Miller) and combined them in the same manner as proposed in the petition,” thus misstates the record. Miller was used in the petition only as ancillary art; the Board used it as part of a new combination. Thus, following the institution decision, “the thrust of the rejection has changed, even when the new ground involved the same prior art as earlier asserted grounds of invalidity.” *In re NuVasive, Inc.*, 841 F.3d 966, 972 (Fed. Cir. 2016). *A fortiori*, the addition of Miller was improper because, prior to the Board’s intervention, it was not part of the petitioned combination *at all*.

Kingston tries to defend the Board’s *sua sponte* combination of Atkinson and Miller by arguing (at 25) that “skilled artisans *would have known how* to combine their teachings.” But Kingston cannot justify the Board’s addition of a new ground not in the petition by arguing (wrongly) about the merit of the combination. Kingston would effectively have the Board disregard the petition by inventing new grounds whenever it believes that a reference used only as ancillary art would have merit as part of an actual combination. This is contrary to the law, as “*nothing* suggests the

¹ Emphasis added throughout unless otherwise stated.

Director enjoys a license to depart from the petition and institute a *different inter partes* review of his own design.” *SAS*, 138 S. Ct. at 1356 (second emphasis in original). Kingston’s claim (at 30) that the petition’s Ground 2 combining Atkinson and Broadwater was “meant to supplement all the discussion of Atkinson (and Miller) that had taken place before” is irrelevant: Miller was not used in any petitioned ground as part of any combination, and the Board added it to one anyway.

The cases Kingston relies upon do not support it. Resp. at 27-28. In *Anacor Pharms., Inc. v. Iancu*, the Court found that the Board did not adopt a new theory of obviousness because “the Board’s final written decision was based on the *same combination of references* . . . and the *same series of inferences that the petition proposed*.” 889 F.3d 1372, 1380 (Fed. Cir. 2018). The Court further found that the Board properly relied upon background art not cited in the petition because it was “properly offered in reply” and the patent owner had “ample notice of and an opportunity to respond to” and in fact discussed them in the patent owner response (“POR”). *Id.* at 1382. Likewise, in *Sirona Dental Sys. GMBH v. Institut Straumann AG*, the Court found no APA violation because the Board relied upon the same ground with the same references and the same disclosure from the reference, despite the Board *characterizing* that disclosure differently from the petition, and thus notice and opportunity was provided to the patent owner to address these disclosures. 892 F.3d 1349, 1356 (Fed. Cir. 2018). In neither case did the Board use an ancillary

reference to make a new, unpetitioned combination. Nor was Polaris on notice of Miller being offered for any purpose other than as ancillary art. Kingston's third case, *Staub v. City of Baxley*, addresses procedural requirements for constitutionality challenges of city ordinances and is inapposite. 355 U.S. 313 (1958).

Kingston also argues that Polaris addressed Miller. Resp. at 27. This is a non-sequitur. Polaris addressed Miller in its preliminary patent owner response ("POPR") as an ancillary reference because that is exactly how the petition used it. *See* Appx144 ("Miller is not part of any combination. No motivation is given to combine with Miller."); *see also*, Appx197 ("Patent Owner also argues that Miller is not part of any combination"). Polaris's POR then objected to the Board's *sua sponte* addition of an unpetitioned ground. Appx236-245.

Kingston argues that Polaris is not prejudiced by the Board's new ground because Polaris addressed it after institution. Resp. at 31. Kingston is wrong. Instituting on an unpetitioned ground subverts Polaris's statutory right to oppose the new ground by showing a "failure of the petition." 35 U.S.C. § 313; Br. at 30; Appx240-245. Polaris's subsequent responses rebutting this new ground do not rectify the prejudice of being deprived of its right to file a POPR to defeat institution in the first place. The *Anacor* and *Sirona* cases Kingston cites do not show a lack of prejudice here: as explained above, they do not involve institution on unpetitioned grounds *at all*. The notion that the Board could exceed its statutory authority by

inventing an unpetitioned ground, and instituting and invalidating on that ground, in a way that causes no “prejudice,” is not plausible. Kingston’s argument that having an opportunity to address the unpetitioned but instituted ground by the patent owner would eliminate the Board’s APA and AIA violation has no support in law.

As Polaris explained in its Principal Brief, even if the Board’s institution on a *sua sponte* ground were not *ultra vires*, the Board’s decision to invalidate the Diode claims based on this new ground lacks substantial evidence. Br. at 38-41. Kingston fails to rebut this. Kingston first points to part of Dr. Bernstein’s deposition testimony (Appx1292 at 180:6-10) for a purported similarity between the thermocouple and the forward-biased diode in support of its alleged (unpetitioned) motivation to combine. Resp. at 32. That testimony simply states “a thermocouple is much like a forward-biased diode *in that it has to do with the difference of two metals*”; it does not suggest that the one can substitute for the other in Atkinson’s system or that they operate in the same manner. Rather, Dr. Bernstein testified that the diode operates differently from the temperature sensors in Atkinson. Appx1293 at 184:21-185:10; Appx1118-1121 (¶¶ 100-105).

Kingston (at 33) then relies upon its own expert to allege that a temperature sensing integrated circuit “typically” or “quite often” uses a diode. Appx1198 at 209:12-17; Appx1171 at 98:9-11. This expert testimony is conclusory. *Rhone-Poulenc Agro, S.A. v. DeKalb Genetics Corp.*, 272 F.3d 1335, 1358 (Fed. Cir. 2001)

(“In an obviousness determination, some evidentiary support must be offered beyond an expert’s conclusory opinion.”). It is also irrelevant. Kingston’s expert acknowledged that there are different types of diodes with different advantages and disadvantages. Appx1168 (89:19-90:5); Appx1169 (90:14-17); Appx1170 (94:15-95:22); Appx1171 (98:23-99:5). Even if a temperature sensing integrated circuit typically used a diode of some kind, this would not mean it is known to use the claimed forward-biased diode type.

Kingston next points to Broadwater’s disclosure that diodes could be used as temperature sensing means in Broadwater’s thermal stress sensing circuit as another purported motivation to combine Atkinson with Miller. Resp. at 33 (quoting Appx742 at 3:55-58). First of all, Kingston never relied upon this Broadwater disclosure in its petition, it improperly injected it for the first time in its reply, in violation of the APA. *Compare* Appx71-72 with Appx300. Moreover, as discussed below, no substantial evidence supports this alleged motivation to combine Broadwater, which addresses overheating, with Atkinson, which addresses circuits in suspended operation with no discernable overheating risk. There is likewise no substantial evidence that Broadwater’s disclosure of a possible use of diodes in its thermal stress sensing circuit provides motivation to substitute Atkinson’s disclosed temperature sensor with the forward-biased diode in a yet third reference, Miller.

The other evidence Kingston relies upon fares no better. Unsupported expert testimony (Appx695, ¶¶52-53) that simply mirrors Kingston’s attorney argument (Appx71-72) is insufficient to support motivation to combine. The catch-all statement in Atkinson (Appx900, 24:63-65)—“[n]umerous variations and modifications will become apparent to those skilled in the art once the above disclosure is fully appreciated”—does not provide the required motivation to combine specific aspects of Atkinson and Miller. The portions of its petition (Appx71-72) and reply (Appx298-302) cited by Kingston cite no additional evidence apart from a snippet of Dr. Bernstein’s testimony that “I’m claiming that Atkinson certainly knew about the Miller type of diode, *or any other type of diode...*”. Appx299 (quoting Appx1294, 189:11-14.) Bernstein’s full testimony undermines any such motivation to combine Atkinson and Miller: “So for technical reasons, I’m claiming that Atkinson certainly knew about the Miller type of diode, or any other type of diode, and *had he felt that it was advantages [sic], I believe that he would have put it in*”). Appx1294, 189:11-14. The remaining citation Kingston relies upon is mere attorney argument (at 33 citing Appx416-418, 12:25-14:20), which is not evidence.

III. THE BOARD’S ERRONEOUS IMPLICIT CONSTRUCTION REQUIRES REVERSAL

Polaris showed that the Board’s conclusion of obviousness rested on an improper implicit construction. Br. at 21-27. While the claims require that the

temperature sensor produce a signal indicative of temperature and that that same signal be the one that can be output on the pin to external circuitry (Appx600 at 5:66-6:3), the Board instead relied on a structure in Atkinson to meet the claimed sensor that outputs a refresh signal that is not exportable. Appx15. Kingston now does not try to defend the refresh signal on which it and the Board relied. Resp. at 11. Instead, Kingston argues that the “signal” was a different one—a signal not output by either structure that the Board concluded met the claimed “sensor” limitation. *Id.*

Kingston claims that “the Board applied the prior art to the claims in the manner proposed by Kingston, *relying on a single signal* in Atkinson for the temperature signal limitations,” Resp. at 14, and that “[b]oth Kingston and the Board consistently relied on the voltage provided to the VCO as the claimed temperature signal, *not* the refresh signal that is produced in response.” *Id.* at 16 (emphasis in original). Kingston argues that: “Polaris’s arguments (at 23-26) about multiple signals and that the claimed temperature signal can’t be a refresh signal are thus all irrelevant,” because “Kingston never suggested . . . that the temperature signal is the same as the refresh signal in Kingston’s VCO embodiment described above.” *Id.*

Kingston is wrong. The Board stated that the *combination* of temperature sensor and VCO met the claimed sensor limitation: “Atkinson’s description of the refresh generator, and alternatively the voltage controlled oscillator *combined with* the temperature sensor, teaches a sensor coupled to the DRAM array to indicate the

temperature of the DRAM array.” Appx15. In reciting Kingston’s argument that the temperature sensor “provides a voltage to the VCO that represents the main memory temperature,” the Board never once referred to the voltage from the sensor as the claimed temperature-indicative signal but instead points to the “refresh signal” as the claimed signal. Appx14 (“The refresh signal produced by the VCO varies with the temperature of the memory device as sensed by the temperature sensor.”).

None of Kingston’s other citations supports it. Kingston’s petition (Appx64-69) points to the “refresh signal” as the claimed signal. Appx68 (“[T]he refresh signal (which as shown above indicates temperature of the memory) is provided via circuitry—namely, the Bridge Logic Unit 104.”). Kingston’s expert declaration repeats Kingston’s petition. *Compare* Appx690-693 *with* Appx68-69.

Kingston’s reply below (Appx288-289, Appx292-293, Appx303-304)) never disputed that the Board relied on the combination of temperature sensor and VCO for the claimed temperature sensor, which outputs the refresh signal. But Kingston switches in reply and points to the voltage to be supplied to VCO, which is not the output of the combination of VCO and temperature sensor, as the temperature-indicative signal, thus reading the claim one way for the sensor limitation and another way for the signal limitation. Appx288. Indeed, when addressing claim 6—which recites “refreshing DRAM at a rate that varies in response to the signal”—Kingston still points to the refresh signal. Appx303 (“Indeed, as the refresh signal is

literally the signal that is causing the refresh and the refresh generator sets its rate, the refresh in Atkinson clearly varies in response to it.”). Kingston’s expert testimony (Appx1185, 154:8-155:23) simply refers back to the claim limitation and does not mention the voltage. Kingston’s reference to the Board’s Final Written Decision (“FWD”) (Appx14-15, 18) that relies upon Kingston’s arguments does not support Kingston’s assertion. The record Kingston cites actually shows Kingston repeatedly argued that the “refresh signal” was indicative of temperature. *See also*, Appx303 (“the refresh signal, which is generated by the Atkinson temperature sensor within the refresh generator is connected to both to the output pin and the DRAM memory.”).

Kingston’s reliance on the refresh signal as the temperature-indicative signal is also confirmed by Kingston’s reliance on Atkinson’s refresh generator embodiment (Appx899, 22:39-23:4) throughout the proceeding, which only outputs the refresh signal. Appx66 (“Thus, the refresh signal produced by the refresh generator is indicative of the memory temperature (i.e., the DRAM array temperature).”); Appx302-303. The Board also adopted it and continued to rely on that embodiment. Appx190; Appx14. The FWD never says that while the refresh signal is the claimed temperature-indicative signal for the refresh generator embodiment, the voltage is the claimed signal for the alternative embodiment. Nor does Kingston identify any. Finally, Kingston’s argument (at 16) that it only relied

upon the refresh signal for Claim 6 is belied by the record of Kingston relying on the refresh signal for Claim 1. *See* Appx68.

Even if Kingston and the Board properly relied upon the voltage signal, there is no substantial evidence to support a finding that the voltage meets the claimed temperature-indicative signal. The voltage is supplied by the temperature sensor to the VCO. Appx900 at 23:15-17. There is no record evidence that this internal voltage between two components in the combination of VCO and temperature sensor is providable to an external circuitry; rather, the evidence is that such exportation would require ““wholesale modification of [Atkinson’s] control circuit.”” Br. at 25.

Kingston fails to explain how causing an intra-circuit voltage to be output to external circuitry would not alter the fundamental operation of this device in Atkinson, nor why one would be motivated to combine it with Broadwater for the reasons discussed further below. Resp. at 17. Even if this internal voltage were exportable, one reading Atkinson would not be motivated to include a pin for outputting this voltage to external circuitry that, per Atkinson, would be inactive. The Board thus did not make findings to support the presence of a temperature sensor that produces a signal indicative of a temperature and is also coupled with a pin for outputting that same signal.

Under Kingston’s theory, the Board’s conclusions rest on improper claim construction *both* for relying upon the refresh signal as the temperature-indicative

signal produced by the claimed sensor *and* for relying on a completely different “signal” for the purpose of allegedly outputting the signal to external circuitry. Such conclusions lack substantial evidence that the voltage is the claimed temperature-indicative signal.

Lastly, Kingston’s argument (at 11-13) that this issue was waived lacks merit. Polaris timely raised the issue in response to Kingston’s untimely argument conflating the claimed temperature-indicative signal with the claimed “refresh[ing]” of ‘the DRAM array.’” Appx362. This improper treatment of the claimed signal as the same as the thing it was meant to influence and vitiation of the requirement that the signal could be output on a pin, were expressly raised—not in an offhand manner—in Polaris’s list of Kingston’s improper reply arguments, and at trial. Appx315 (items 7-8), 362, 423-425.

Kingston’s argument is further premised on Kingston’s claim that it “identified an embodiment in Atkinson in which a temperature sensor provides the claimed temperature signal to a [VCO],” and “explained that it would be obvious to modify Atkinson” to provide “this same temperature signal” to external circuitry. Resp. at 11, 12. But as explained above, Kingston’s arguments in petition, including where it mentioned the voltage, were actually about proving that the *refresh* signal was the claimed temperature-indicative signal even though it could *not* be output on a pin. And Kingston’s citation to Appx80-83 for modifying Atkinson to export the

signal, never specifies that the exported signal would be the voltage. The citations Kingston relies upon to prove waiver, actually illustrate how Kingston changed its theory in mid-stream. Waiver does not apply. See *Interactive Gift Express, Inc. v. CompuServe Inc.*, 256 F.3d 1323, 1344-47 (Fed. Cir. 2001) (explaining that waiver does not preclude “clarifying or defending the original scope” of a claim construction position or “proffering additional or new supporting arguments”).

IV. THE BOARD’S CANCELLATION OF NON-DIODE CLAIMS BASED ON ATKINSON AND BROADWATER LACKS SUBSTANTIAL EVIDENCE

Kingston (at 18) is incorrect that Polaris does not dispute the Atkinson/Broadwater combination teaching all the claim elements. For the reasons explained above, Atkinson cannot supply the claimed temperature-indicative signal. Kingston’s argument (*id.*) that Polaris merely asks to reweigh evidence is likewise wrong. The Board’s conclusion lacks substantial evidence, which “a reasonable mind might accept . . . as adequate to support a conclusion.” *Dickinson v. Zurko*, 527 U.S. 150, 162 (1999) (internal quotes omitted).

The Board’s findings of motivation to combine Atkinson and Broadwater depend on a problem that Atkinson does not have. But motivation to combine cannot be a speculative or general problem; it has to be a problem that would actually apply to the reference in question, thus motivating a combination with the other reference. *Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1373-74 (Fed. Cir. 2008) (“The

district court was nevertheless correct that knowledge of a problem and motivation to solve it are entirely different from motivation to combine particular references to reach the particular claimed method.”). Kingston’s speculation about “possible” or “hypothetical” overheating in Atkinson’s low-power low-heat system is not substantial evidence of a motivation to solve overheating. *L.A. Biomedical Research Inst. at Harbor-UCLA Med. Ctr. v. Eli Lilly & Co.*, 849 F.3d 1049, 1066 (Fed. Cir. 2017) (“[L]egal determinations of obviousness, as with such determinations generally, should be based on evidence rather than on mere speculation or conjecture.”).

Kingston argues (at 19) the Board properly found that “Broadwater’s teaching of reducing thermal stress would be applicable to “*any type of chips*” including Atkinson’s refreshing circuit by “relieving the DRAM from *possible* overheating.” Again, this generic claim cannot support obviousness. *Innogenetics*, 512 F.3d at 1373-74 (upholding district court’s finding that “[a] *generalized motivation* to develop a method is not the kind of motivation required by the patent laws”) (emphasis in original). Moreover, Kingston’s claim contradicts Atkinson’s teaching of suspended operation, a low-heat, low-power state with power dissipation two to three orders of magnitude lower than normal. Br. at 43-44. The Board’s conjecture about “relieving *possible* overheating” using Broadwater thus does not square with

Atkinson's teachings; it tacitly concedes that overheating is not actually an issue in Atkinson.

Kingston argues (at 20) that Atkinson is not "limited to only this embodiment" and that "[e]ven in low power mode, the system is active and it refreshed the memory" and "as such Atkinson memory *could* overheat in this state." Again, Kingston's argument is based on a mere *conjecture* of overheating, supported by nothing in the record. Apart from attorney argument (Appx414-415, 10:1-11:10), which is not evidence, Kingston only provides Polaris's expert's deposition testimony addressing a *hypothetical*. Appx1291 at 177:13-18 ("Q: Okay. So I want to give you *a hypothetical situation for the Atkinson system*. Let's say I have a laptop that's running the Atkinson system, and I put it in suspend mode in my office. And it's refreshing the memory you would agree; right? . . ."). The most Kingston can allege is a hypothetical motivation, not a real one as required.

Kingston's additional arguments (at 18-19) regarding motivation fare no better. Kingston argues that "Atkinson already has a temperature sensor, which would make the two references comparatively easy to combine." But the temperature sensor in Atkinson's alternate embodiment is to adjust DRAM refresh rates in a suspended mode, not to prevent overheating. Appx900, 23:5-19. Moreover, Kingston's conclusory expert testimony that the combination is "comparatively easy" mirrors Kingston's attorney argument and is not substantial evidence.

Compare Appx706 (¶¶ 85-88) with Appx81-82; *Rhone-Poulenc Agro*, 272 F.3d at 1358. Kingston also cites background references to argue the combination would be a “mundane task,” but these references do not address overheating prevention at all. Appx672-677; Appx921-926; Appx927-929; Appx973-983. Atkinson’s alleged mention (Resp. 19) of “a variety of circuitry techniques” relates to the capacitor and inductor in Atkinson’s refresh generator circuit (Appx900, 23:20-28); it has nothing to do with Broadwater’s output pin, or overheating.

Kingston (at 21) fails to rebut that even if Atkinson were concerned with overheating, there is still no motivation to combine Atkinson with Broadwater, which teaches shutting down overheated circuitry, to make the 057 invention, which increases the DRAM temperature when the DRAM is overheated, thereby exacerbating any overheating problem. Br. at 44. This is a separate basis for reversal.²

The Board’s finding of motivation to combine for power-saving suffers the same flaw. Broadwater’s only mention of power reduction relates to shutting down

² Kingston (at 21) argues that Dr. Bernstein’s testimony “we don’t want the device to blow up” (Appx1257, 40:5-18) applies to both Atkinson and Broadwater because it responds to a question that mentions both. It is contrary to Dr. Bernstein’s actual testimony: “**Broadwater**—he’s concerned with the power for its potential operation. We don’t want the device to blow up.” *Id.* In any event, a generalized desire not wanting the device to blow up does not negate the fact that Atkinson is not directed to overheating and does not meet the required motivation to combine. *Innogenetics*, 512 F.3d at 1373-74.

overheated circuitry. Appx743 at 5:21-26 (“turn the chip off, reduce power to the chip”), 6:17-25; Appx744 at 7:4-23. The evidence Kingston cites (at 22) confirms this. *See* Appx258 (“Broadwater teaches shutting part of its circuits down); Appx743 at 6:22-24 (“a control means [that] operates to stop power to the integrated semiconductor chip”). There is no substantial evidence that one would look to Broadwater’s shutdown “solution,” which only applies to systems that overheat, to solve a power reduction problem in Atkinson, which does not overheat.

Kingston (at 22) quotes parts of Polaris’s expert testimony (Appx1257, 40:5-14; 39:10-14), but they do not support Kingston. Polaris’s expert’s statement that Atkinson’s and Broadwater’s systems are “both concerned with the power” and the axiom that “more power means it’s more hot” does not negate that Atkinson relates exclusively to a low-power mode. *See* Appx1257 at 40:5-14; 39:10-14. Polaris’s expert expressly confirms this. Appx1279 at 127:13-15 (“From my understanding, all of Atkinson is dealing with sleep mode, so it's going to be practiced in sleep mode.”).

Even if one would look to Broadwater for tangential power consumption benefits, combining Broadwater’s pin to output the temperature signal to external circuitry in Atkinson’s circuit goes against the thrust of Atkinson’s teaching to reduce power consumption by putting external circuitry in sleep, where no external

circuitry is active to use the output signal. Br. at 48. Kingston fails to refute that. Resp. at 22-23.

Kingston's other responses (at 23) fail. Any purported power saving benefit does not change that Atkinson's self-contained chip design discourages combination with Broadwater's external circuitry. Kingston's contention that because "Atkinson never says not to modify its system to include external circuitry," it defeats teaching away, is wrong. *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1327 (Fed. Cir. 2009) ("A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant.").

V. THE BOARD ERRONEOUSLY DISMISSED POLARIS'S OBJECTIVE INDICIA EVIDENCE

Kingston spends pages challenging the sufficiency of Polaris's objective indicia evidence without identifying any rebuttal evidence. Resp. at 34-38. Contrary to Kingston's assertions, Polaris made a detailed showing of objective indicia below.³ See Br. 49-50; See also Appx223, Appx598 at 2:3-4, 2:4-15, 2:15-20, Appx599 3:52-66, Appx1088-1090 (¶¶36-38), Appx262, Appx1093-1097 (¶¶42-

³ Kingston challenges (at 35-36) Polaris's citations to its hearing slides (Appx385-387). But these slides summarize Polaris's arguments and evidence on objective indicia.

48), Appx1110-1111 (¶82), Appx1278-1279 at 124:11-126:1; Appx1288-1289 at 165:12-166:1, Appx1161 at 59:13-17, Appx1162 at 62:5-8 (quoted in Appx1095 (¶45)), Appx1203 at 229:20-25 (quoted in Appx1095 (¶44)). Polaris's arguments and evidence of objective indicia were presented to the Board and were not waived.⁴ See Appx222-223, Appx262-263. Kingston's attack (at 36-37) on Polaris's substantial evidence fails.

Kingston is mistaken that statements in the patent cannot show objective indicia. The *Sud-Chemie* case Kingston cites confirms, however, that the specification "provides evidence pertaining to the allegedly unexpected advantages of uncoated over coated films beyond its mere declaration that the results were surprising." *Sud-Chemie, Inc. v. Multisorb Techs.*, 554 F.3d 1001, 1009 (Fed. Cir. 2009).

Kingston is also wrong that Polaris did not show nexus. Resp. at 37. Polaris not only showed nexus, it showed that the Board's disregard of Polaris's evidence

⁴ Kingston argues (at 36) that Polaris's objective indicia arguments were waived, relying upon inapposite cases. In *Wallace*, a non-PTAB case, the issue was not before the ALJ but was first raised in the petition to the Board to review the ALJ's decision. *Wallace v. Dep't of Air Force*, 879 F.2d 829, 832 (Fed. Cir. 1989). In *Microsoft*, the Court rejected a new argument Microsoft made for the first time on appeal. *Microsoft Corp. v. Enfish, LLC*, 662 Fed. Appx. 981, 987 (Fed. Cir. 2016). In *MCM*, the Court found waiver because "MCM candidly admits that it only raised this argument in a few scattered sentences at the oral hearing below." *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1294 n.3 (Fed. Cir. 2015). Unlike these cases, Polaris has presented the same arguments and evidence to the Board.

of unexpected benefits because “the claims do not recite any limitation regarding external control of DRAM timing” (Appx23) is contrary to law. Br. at 50. The correct inquiry is whether the subject matter of the claim yields the unexpected result. *Id.* at 50-51 (quoting *In re Sullivan and Rambus*). As Polaris has explained (see Appx262-263; Appx1093-97 (¶¶42-48), Appx1110-1112 (¶¶82-83), Appx1278-1279 (124:11-126:1), Appx1259 (48:18-49:19); Appx1288-1289 (165:12-166:1)), practicing the claim yields the unexpected result of using external circuitry for “efficient, deterministic control of the DRAM in sync with the rest of the activity in the system.” Appx262-263. This unexpected benefit is commensurate with the subject matter of the claims.

Kingston’s argument that remand on objective indicia would be futile invites error. See *PPC Broadband, Inc. v. Iancu*, 739 Fed. Appx. 615, 628 (Fed. Cir. 2018). Kingston’s cases are inapplicable. In *ClassCo, Inc. v. Apple, Inc.*, this Court found the objective indicia to be weak compared to the other factors of obviousness. 838 F.3d 1214, 1222-23 (Fed. Cir. 2016). In *Ohio Willow Wood Co. v. Alps S., LLC*, the Court found that the patent owner’s objective indicia evidence “equally apply to the prior art.” 735 F.3d 1333, 1344 (Fed. Cir. 2013). This does not apply here, and the Board’s showing of obviousness lacks substantial evidence and is premised on multiple legal errors. If the case is remanded, the Board should consider objective indicia properly.

VI. KINGSTON'S BELATED REQUEST UNDER SAS SHOULD BE REJECTED

Kingston asks for *SAS*-based remand on uninstituted grounds for the first time in its Responsive Brief, although it could have requested this over a year ago. By not filing a timely motion for remand during the two-and-a-half months after *SAS* was decided and before Polaris filed its Principal Brief, and by waiting nearly a year more, Kingston waived its request. *SAS* issued on April 24, 2018—soon after this case's docketing. *See* Dkt. 1. On July 10, 2018, Polaris noted that the Board's denial of institution on grounds 3 and 4 "was neither challenged before the Board nor appealed." Br. at 15 n.2. Kingston failed to seek remand and only stated in its responsive brief on April 17, 2019, that "*if* this Court sets aside any aspect of the Board's decision," it would be entitled to *SAS* remand. Resp. at 38. Kingston first raised the issue nearly one year after *SAS* and approximately 280 days after Polaris's brief. This Court has found a conditional request for *SAS*-relief waived when not requested sooner. *E.g.*, *LG Elecs., Inc. v. Conversant Wireless Licensing S.A.R.L.*, 759 F. App'x 917, 923 n.2 (Fed. Cir. 2019) (holding that 8-month delay and lack of motion to remand warranted finding of waiver); *Mylan Pharm. Inc. v. Research Corp. Techs.*, 914 F.3d 1366, 1377 (Fed. Cir. 2019) (finding that "request [for *SAS*-based remand]—made 6 months after the *SAS* decision—was not prompt").

Requesting *further* proceedings on remand is not "an alternative basis for granting the relief the Board already awarded." Resp. at 39. If the Court reverses the

Board and grants remand, this will *not* give Kingston “the relief the Board already awarded.” *Id.* Kingston’s argument that it could not cross appeal misses the point. Kingston could have avoided such piecemeal litigation by filing a motion to remand, which by rule “should be made *as soon after docketing as the grounds for the motion are known.*” Fed. Cir. R. 27(f). Kingston was on notice of its basis before Polaris’s brief was even filed, and yet waited nearly a year. This Court has indicated that deciding some issues while remanding separately to fix a *SAS* violation “is precisely the type of piecemeal litigation that is historically disfavored.” *BioDelivery Scis. Int’l, Inc. v. Aquestive Therapeutics, Inc.*, 898 F.3d 1205, 1210 (Fed. Cir. 2018). The Court should find Kingston’s request waived.

VII. APJS ARE UNCONSTITUTIONALLY APPOINTED PRINCIPAL OFFICERS

A. This Court Should Consider Constitutionality

The United States speculates about what the Board might have done had Polaris raised the challenge below. But when Polaris did so in a co-pending IPR, the Board did nothing. *Compare* IPR2017-00116, Paper 17 [POR] at 62 (July 10, 2017) *with* Paper 31 [FWD] (Feb. 13, 2018). The Board admits it lacks jurisdiction over its own constitutionality. *See Johnson v. Robison*, 415 U.S. 361, 367 (1974); *e.g., Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-00366, Paper 11 at 36 (P.T.A.B. July 6, 2018). Any challenge below would have been futile. *See, e.g., Beard v. Gen. Servs. Admin.*, 801 F.2d 1318, 1321 (Fed. Cir. 1986) (“since the

Board’s view of its authority . . . was fully settled, ‘raising this claim . . . would have been an exercise in futility’”). The Board cannot correct the statute that prescribes their appointment. *See* 35 U.S.C. § 6(c). Thus, *In re DBC*, 545 F.3d 1373 (Fed. Cir. 2008), where “the Board could have evaluated and corrected the alleged constitutional infirmity,” is inapposite. *Id.* at 1379.

The Supreme Court has “expressly included Appointments Clause objections to judicial officers in the category of non-jurisdictional structural constitutional objections that could be considered on appeal whether or not they were ruled upon below.” *Freytag v. C.I.R.*, 501 U.S. 868, 878-79 (1991) (citation omitted). This Court is first to address this issue, and the United States has been heard. *See Automated Merch. Sys., Inc. v. Lee*, 782 F.3d 1376, 1379-80 (Fed. Cir. 2015). Finally, this challenge “presents significant questions of general impact or of great public concern,” and for that reason too this Court should address it. *Id.* (citations omitted).

B. APJs Are Principal Officers Because No Executive Principal Officer Directs Their Work

An APJ’s “work”—the focus of *Edmond*—is to render *final* patentability decisions. 35 U.S.C. § 141. The Director alone cannot overrule the APJs’ decisions because “at least 3 members of the Patent Trial and Appeal Board” must hear each case. 35 U.S.C. § 6(c). Even on a Precedential Opinion Panel or serving on a three-or-more judge panel, the Director does not “direct” APJs. *Cf. DOT v. Ass’n of Am. R.R.*, 135 S. Ct. 1225, 1239 (2015) (Alito, J., concurring) (all members of a

multimember body with principal officer power must be principal Officers because each “could cast the deciding vote with respect to a particular decision”). The Director must ask an Article III court for vacatur—he cannot change any FWD himself. *See* 35 U.S.C. § 143. *See SKF USA, Inc. v. United States*, 254 F.3d 1022, 1029 (Fed. Cir. 2001).

In *Edmond*, the Supreme Court found “significant” that judges’ decisions were directly reviewable “in another *Executive Branch* entity,” so the judges had no “power to render a final decision on behalf of the United States unless permitted to do so by other executive officers.” *Edmond*, 520 U.S. at 664-65. In *Free Enterprises*, the SEC’s “oversight authority” “empower[ed] the Commission to review any Board rule or sanction,” including final decisions. *Free Enter. Fund v. PCOAB*, 561 U.S. 477, 486, 489, 504 (2010); *see* 15 U.S.C. § 7217(c). In *Masias* and *Freytag*, the decisions at issue were reviewable by *Article I* judges. *Masias v. Sec’y of HHS*, 634 F.3d 1283, 1294-95 (Fed. Cir. 2011); *Freytag*, 501 U.S. at 873-74; *see also* 26 U.S.C. § 7443A(c).

Officers who *can* issue a final decision for the Executive Branch are deemed principal Officers. *E.g.*, *Ass’n of Am. R.R. v. United States DOT*, 821 F.3d 19, 39 (D.C. Cir. 2016) (no “procedure by which the arbitrator’s decision is reviewable by the [agency]”); *Intercollegiate Broad. Sys. v. Copyright Royalty Bd.*, 684 F.3d 1332, 1340 (D.C. Cir. 2012) (copyright royalty judges (“CRJs”) were principal Officers,

in part because decisions were “subject to reversal or change only when challenged in an Article III court”).⁵ The line is clear: because “[t]here is no higher level of review within the executive department,” APJs are principal Officers. Gary Lawson, *Appointments and Illegal Adjudication: The AIA Through a Constitutional Lens*, 26 Geo. Mason U. L. Rev. (forthcoming), manuscript at 45, available at <https://ssrn.com/abstract=3105511>.

The United States argues that Congress may have “endow[ed] the Director alone with all powers of the Board,” U.S. Br. at 30, rendering the Board irrelevant. This conflicts with the PTO’s admission that the Director lacks such authority. Oral Argument at 47:19-47:48:25, *Yissum Research Dev. Co. v. Sony Corp.*, 2015-1342 (Dec. 7, 2015), <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2015-1342.mp3>. It also contradicts the AIA’s unambiguous language dividing responsibilities between the Board and the Director. *E.g.*, 35 U.S.C. § 316(c) (the Board “shall . . . conduct each inter partes review”); *id.* § 6(c) (“**Only** the . . . Board may grant rehearings.”); *id.* § 318(b) (requiring Director to issue certificate consistent with FWD). This Court cannot “avoid invalidating the statute on constitutional grounds” by rewriting the AIA to give the Director the control he

⁵ The United States misstates *Intercollegiate*’s holding: the court found CRJs to be principal Officers, not inferior Officers, then severed the portion of the statute limiting the removability of the judges to make them fireable at will to make them sufficiently inferior. Compare U.S. Br. at 19 with *Intercollegiate*, 684 F.3d at 1340-41. That remedy is now inconsistent with *Lucia*, as described below.

lacks. U.S. Br. at 30. This would “pervert[] the purpose of [the] statute” by “judicially rewriting it.” See *Aptheker v. Sec’y of State*, 378 U.S. 500, 515 (1964) (citation omitted).

C. APJs Are Not At-Will Employees

Kingston and the United States concede that APJs have protected job security. U.S. Br. at 26; Resp. at 47. Even if 5 U.S.C. § 7521(a) did not apply, the United States concedes that APJs may be removed “*for such cause* as will promote the efficiency of the service.” 5 U.S.C. § 7513(a). That standard is more like “good cause” than “at will” employment, because for a removal to be sustained, the Secretary must prove conduct that negatively impacted the efficiency of the Board, and removal was a reasonable penalty. *Malloy v. United States Postal Serv.*, 578 F.3d 1351, 1356 (Fed. Cir. 2009); *see generally* 35 U.S.C. § 3(c) (applying Title 5 to USPTO officers); 5 U.S.C. §§ 7511, 7512; 7703. Thus, the APJs cannot be removed for deciding cases in good faith. *Cf. Brennan v. Dep’t of Health & Human Servs.*, 787 F.2d 1559, 1562 (Fed. Cir. 1986) (“The APA has provisions to insure the decisional independence of ALJs and prohibits substantive review and supervision of an ALJ’s performance of his quasi-judicial functions.”); *see also Abrams v. SSA*, 703 F.3d 538, 545 (Fed. Cir. 2012). Unlike *Edmond* and *Free Enterprise*, control over the APJs’ service is limited. *See Edmond*, 520 U.S. at 664; *Free Enter.*, 561

U.S. at 510. Thus, the authority to remove APJs is not the requisite supervision or control.

D. The Director’s Authority Over Other Aspects Of APJs’ Performance Does Not Matter

The Director’s limited authority over other aspects of APJs’ responsibilities changes nothing. *See Intercollegiate*, 684 F.3d at 1338 (holding that CRJs are principal Officers even though Librarian and Register of Copyrights supervise “in some respects” but “leave broad discretion”); *see also DOT*, 135 S. Ct. at 1238 (Alito, J., concurring) (“While some officers may be principal even if they have a supervisor, it is common ground that an officer without a supervisor must be principal.”); *Edmond*, 520 U.S. at 667 (Souter, J., concurring) (“It does not follow, however, that if one is subject to some supervision and control, one is an inferior officer.”).

Kingston’s reliance on the Director’s institution authority is misplaced. Resp. at 42. The Director expressly delegated his institution authority to the APJs. This delegation is not *ad hoc*, *id.* at 42-43, but it is mandated by regulation. *See* 37 C.F.R. § 42.4(a); *id.* § 42.108.

The Director’s ability to control panel composition also does not, as Kingston and the United States contend, significantly control the APJs. The Director’s claimed authority would be ineffective (because he cannot control how APJs vote) and would raise due process and APA judicial independence concerns. Moreover, the Director

delegated panel selection to the Chief Judge, and “[a]ll decisions to use an expanded panel *must be recommended by the Chief Judge* and approved by the Director.” See Board Standard Operating Procedures 1 (Revision 15), available at <https://www.uspto.gov/sites/default/files/documents/SOP%201%20R15%20FINA%20L.pdf>. at I., II.A., III.M.6. Moreover, if the director removed an APJ from a panel, this would mean assigning another unconstitutional APJ as a replacement.

The Director’s regulatory and policymaking authority is insufficiently supervisory as it is not “general substantive rulemaking power” that would alter outcomes. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1550 (Fed. Cir. 1996). Like in *Intercollegiate*, the Director “is entrusted with approving the [judges’] procedural regulations” and “with overseeing various logistical aspects of their duties,” and “authority to interpret the copyright laws and provide written opinions to the” judges, who “must abide by these opinions in their determinations.” 684 F.3d at 1338; 35 U.S.C. §§ 2(b)(2), 316. In *Intercollegiate*, these powers did not “afford the Librarian room to play an influential role in the CRJs’ substantive decisions” given their “vast discretion.” 684 F.3d at 1338-39.

E. Dismissal Is Required

The United States is wrong that eliminating the APJs’ removal protection would solve the problem. U.S. Br. at 30-31. *Lucia v. SEC*, 138 S. Ct. 2044, 2055 (2018), plainly requires “a new ‘hearing before a properly appointed’ official.”

(Citation omitted). Because no properly appointed Board panel exists, the Court should dismiss.⁶

VIII. CONCLUSION

This Court should vacate and dismiss.

Dated: June 5, 2019

Respectfully submitted,

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⁶ In *Intercollegiate*, notwithstanding severance of the CRJ's removal restrictions, the court "vacate[d] and remande[d]" because "the Board's structure was unconstitutional at the time it issued its determination." 684 F.3d at 1342.

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