

Joe Matal Discusses Supreme Court Ruling in *U.S. v. Arthrex* With Media Outlets

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Haynes Boone Partner Joe Matal talked with several publications, including *Bloomberg Law*, *World IP Review* and *IP Law Daily*, about the U.S. Supreme Court's final ruling in [U.S. v. Arthrex, Inc.](#), which holds that Congress violated the Constitution when it established the Patent Trial and Appeal Board (PTAB). As a remedy, SCOTUS has handed power to the U.S. Patent and Trademark Office (USPTO) director to overturn *inter partes* review decisions.

Below are excerpts:

IP Law Daily: The case involved a dispute over a patent owned by Arthrex, Inc., directed to a knotless suture securing assembly. Smith & Nephew, Inc., and Arthrocare Corp. petitioned for *inter partes* review of 12 claims of Arthrex's patent.

According to former USPTO Acting Director and Haynes Boone Partner Joseph Matal, the Court's decision will not make a practical difference.

"The Director already had the power to select a special panel to rehear any PTAB decision and to promulgate regulations governing AIA proceedings," Matal explained. "One-person review does not substantially increase the Director's power."

Matal added, "If the Court is convinced that law as written does not allow sufficient executive control of PTAB decisions, it is better to permit one-person rehearing rather than to eliminate employment protections for the judges. Agency policy should be implemented through an open and transparent process rather than through the threat of firing without cause."

"As to remedy, the Chief Justice got it right," Matal said. "The AIA Congress would have preferred to have Director review of PTAB decisions rather than to have no technically proficient patent validity review at all, as the concurrence implausibly suggests."

World IP Review: SCOTUS' remedy was correct, according to Joseph Matal, partner at Haynes Boone and a former USPTO director, who insisted: "The director already had the power to select a special panel to rehear any PTAB decision and to promulgate regulations governing AIA proceedings. A one-person review does not substantially increase the director's power."

Bloomberg Law: The decision gives the director a new avenue to assert power, but the position was already a powerful one at the agency.

"There's vanishingly little power that was already outside the director's grasp," Joseph Matal, a Haynes Boone partner and former patent office official, said.

He pointed to the director's authority to make regulations through the rulemaking process. The director was also part of the recently created Precedential Opinion Panel, which issued decisions

about important issues at the PTAB.

As a fix, the Federal Circuit severed from the Patent Act removal protections for judges, making it easier to fire them and rendering the judges inferior officers appointable by the Commerce chief under the Constitution.

The Supreme Court had a different fix for the problem: It gave the director the authority to review—and reverse—final decisions from the board. Matal said that was a positive change.

“Assuming that’s done in a public and transparent manner, I think that’s a better way of exercising policy control at the agency than through the threat of firing without cause,” Matal said.