

No. 19-2011

---

IN THE  
**United States Court of Appeals  
for the Federal Circuit**

---

CONCERT PHARMACEUTICALS, INC.,

*Appellant,*

v.

INCYTE CORPORATION,

*Appellee.*

---

Appeal from the United States Patent and Trademark Office,  
Patent Trial and Appeal Board, No. IPR2017-01256

---

**APPELLANT'S MOTION TO REMAND**

---

Daryl L. Wiesen  
Emily L. Rapalino  
David J. Zimmer  
Gerard J. Cedrone  
GOODWIN PROCTER LLP  
100 Northern Avenue  
Boston, MA 02210  
(617) 570-1000

William M. Jay  
GOODWIN PROCTER LLP  
1900 N Street, NW  
Washington, DC 20036  
(202) 346-4000

November 12, 2019

*Counsel for Appellant Concert  
Pharmaceuticals, Inc.*

---

Appellant Concert Pharmaceuticals, Inc., respectfully moves the Court to vacate the final written decision entered by the Patent Trial and Appeal Board in this case and remand for further proceedings consistent with the Court's decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 18-2140, 2019 WL 5616010 (Oct. 31, 2019). In *Arthrex*, the Court held that administrative patent judges (APJs) were appointed in violation of the Constitution's Appointments Clause. *Id.* at \*8 (slip op. 20). The Court severed the portion of the statute restricting the removal of APJs and remanded for a new decision—including a new oral hearing—before a new panel of APJs. *Id.* at \*10–12 (slip op. 25–30). Because Concert is in the same position as the appellants in *Arthrex* and subsequent cases that have been remanded to the Board following *Arthrex*, it is entitled to the same relief.

### **BACKGROUND**

This appeal arises out of appellee Incyte Corporation's petition for *inter partes* review of claims 1–15 of Concert's U.S. Patent No. 9,249,149 (the '149 Patent). *See* Final Written Decision (Dkt. No. 1-2) at 2. After initially denying institution, the Board reversed itself and instituted review on whether those patent claims were obvious. *Id.* at 1, 8. The Board issued its final written decision on April 8, 2019, holding the '149 Patent invalid as obvious. *Id.* at 51.

The Board’s final written decision—handed down before this Court’s decision in *Arthrex*—was issued by a panel of three APJs. *See id.* at 1.<sup>1</sup> Those APJs were neither appointed by the President nor confirmed by the Senate; instead, they were “appointed by the Secretary of Commerce, in consultation with the Director of the USPTO.” *Arthrex*, 2019 WL 5616010, at \*3–4 (slip op. 6, 11) (citing 35 U.S.C. § 6(a)). “No presidentially-appointed officer ha[d] independent statutory authority to review [the APJs’] final written decision” in this case “before [it] issue[d] on behalf of the United States.” *Id.* at \*4 (slip op. 9); *see* 35 U.S.C. §§ 318–319. At all times—from institution through the final written decision—“[t]he only actual removal authority the Director or Secretary ha[d] over APJs [was] subject to limitations by Title 5”—namely, APJs could be “removed ‘only for such cause as will promote the efficiency of the service.’” *Arthrex*, 2019 WL 5616010, at \*7 (slip op. 16) (quoting 5 U.S.C. § 7513(a)).

## ARGUMENT

Concert is entitled to vacatur of the Board’s decision and a hearing before a new panel of APJs.

*Arthrex* held that the APJs who heard and decided that case did so in violation of the Constitution’s Appointments Clause. Specifically, *Arthrex* determined that

---

<sup>1</sup> So were the institution decisions.

“[t]he lack of any presidentially-appointed officer who can review, vacate, or correct decisions by the APJs combined with the limited removal power” makes those APJs “principal officers” for Appointments Clause purposes. *Arthrex*, 2019 WL 5616010, at \*8 (slip op. 20). “As such,” the Court explained, “they must be appointed by the President and confirmed by the Senate; because they are not, the current structure of the Board violates the Appointments Clause.” *Id.* To remedy this constitutional violation, *Arthrex* severed the Patent Act’s limitations on APJs’ removal from office. *Id.* at \*10 (slip op. 25).

*Arthrex* holds that the appropriate relief for a litigant whose case was determined by an improperly constituted Board includes a remand for the appointment of a “new panel of APJs” who are removable at will; it also specifically includes a “new hearing.” *Id.* at \*12 (slip op. 29) (citing *Lucia v. SEC*, 138 S. Ct. 2044, 2055 (2018)). To preserve the right to this relief, a litigant need not have raised the Appointments Clause challenge before the Board itself: “the Board was not capable of providing any meaningful relief to this type of Constitutional challenge and it would therefore have been futile . . . to have made the challenge there.” *Id.* at \*11 (slip op. 27). Instead, a challenger need only have “properly and timely raised” the issue “before the first body capable of providing it with the relief sought”—*i.e.*, this Court. *Id.* (slip op. 28). Post-*Arthrex* orders in other cases

confirm that the Appointments Clause issue is timely if presented in the appellant's opening brief or a motion filed before that brief.<sup>2</sup>

Because the APJs that invalidated Concert's patent sat in violation of the Appointments Clause, and because Concert has timely raised the issue to this Court, Concert is entitled to vacatur and remand for appointment of a new panel of APJs.

### CONCLUSION

For the foregoing reasons, Concert respectfully requests that the Court vacate the Board's final written decision and remand the matter to the Board for further proceedings consistent with *Arthrex*.

Counsel for Concert solicited Incyte's position on this motion by email to Incyte's counsel at 4:04 PM on November 10, 2019. Concert requested a response from Incyte's counsel by 10 AM on November 12 (*i.e.*, today). At 8:20 AM today, Incyte's counsel responded that Incyte would provide its position on this motion "as soon as possible." Incyte had not stated its position as of the close of business.

---

<sup>2</sup> Compare *Bedgear, LLC v. Fredman Bros. Furniture Co.*, Nos. 18-2082, -2083, -2084, 2019 WL 5806893, at \*1 (Fed. Cir. Nov. 7, 2019) (vacating and remanding where appellant raised Appointments Clause challenge in opening brief); *Uniloc 2017 LLC v. Facebook, Inc.*, No. 18-2251, 2019 WL 5681316, at \*1 (Fed. Cir. Oct. 31, 2019) (same), with *Customedia Techs., LLC v. Dish Network Corp.*, No. 19-1001, 2019 WL 5677704, at \*1 (Fed. Cir. Nov. 1, 2019) (declining to vacate and remand where appellant "did not raise any semblance of an Appointments Clause challenge in its opening brief or raise this challenge in a motion filed prior to its opening brief").

November 12, 2019

Daryl L. Wiesen  
Emily L. Rapalino  
David J. Zimmer  
Gerard J. Cedrone  
GOODWIN PROCTER LLP  
100 Northern Avenue  
Boston, MA 02210  
(617) 570-1000

Respectfully submitted,

/s/ William M. Jay  
William M. Jay  
GOODWIN PROCTER LLP  
1900 N Street, NW  
Washington, DC 20036  
(202) 346-4000

*Counsel for Appellant Concert  
Pharmaceuticals, Inc.*

**CERTIFICATE OF INTEREST**

Counsel for Appellant Concert Pharmaceuticals, Inc., certifies the following:

- 1. The full name of every party represented by me is:**

Concert Pharmaceuticals, Inc.

- 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:**

None.

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

None.

- 4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me before the agency or are expected to appear in the court (and who have not or will not enter an appearance in this case) are:**

*Goodwin Procter LLP: Cynthia L. Hardman, Marta E. Delsignore, Sarah J. Fischer*

- 5. The title and number of any case known to me 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:**

None.

November 12, 2019

/s/ William M. Jay  
William M. Jay

**CERTIFICATE OF SERVICE**

I hereby certify that on November 12, 2019, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit using the Court's CM/ECF system. Counsel for all parties to the case are registered CM/ECF users and will be served by the CM/ECF system.

/s/ William M. Jay  
William M. Jay

**CERTIFICATE OF COMPLIANCE**

This motion complies with the type-volume limitation of Federal Rule of Appellate Procedure 27(d)(2)(A) because, excluding the parts of the document exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 27(d), it contains 955 words.

This motion complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared using Microsoft Word 2016 in 14-point Times New Roman, a proportionally spaced typeface.

November 12, 2019

/s/ William M. Jay  
William M. Jay