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Statute Attempts to Fix Perceived Constitutional Problem in the Law Governing the Appointment of Administrative Patent and Administrative Trademark Judges

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On August 12, 2008, President Bush signed into law a statute intended to fix a perceived constitutional flaw in a 1999 statute governing the appointment of administrative law judges of the Board of Patent Appeals and Interferences (BPAI) and the Trademark Trial and Appeal Board (TTAB). Both the 2008 statutory fix and the 1999 statute raise constitutional questions of potential significance to those relying on BPAI or TTAB decisions issued over the past several years.

The 1999 Statute and the Related Appointments Clause Issue

The Appointments Clause of the U.S. Constitution, Art. II, § 2, cl. 2, provides that principal officers of the United States must be appointed by the President with the advice and consent of the Senate. "Inferior" officers, by contrast, may be appointed by the President alone, the "Courts of Law," or the "Heads of Departments." *Id.* No Appointments Clause restrictions apply to the hiring of federal employees, as opposed to "officers" of the United States. As the Supreme Court has observed, a federal officer "exercise[s] significant authority pursuant to the laws of the United States . . . and must, therefore, be appointed in the manner prescribed by" the Appointments Clause. *Buckley v. Valeo*, 424 U.S. 1, 126 (1976).

Since the enactment of The Intellectual Property and Communications Reform Act of 1999, 113 Stat. 1501, *et seq.*, administrative patent judges of the BPAI and administrative trademark judges of the TTAB have been appointed by the Director of the Patent and Trademark Office (PTO). Commentators[1] and litigants[2] have argued that this statutory structure for the appointment of BPAI and TTAB administrative judges violates the Appointments Clause because (1) BPAI and TTAB judges exercise "significant governmental authority," and (2) the Director of the PTO is not a "Head[] of Department[]" within the meaning of the Appointments Clause.

The 2008 Statute and Related Retroactivity and De Facto Officer Doctrine Issues

In an apparent response to the Appointments Clause criticisms of the 1999 statute, Congress enacted S. 3295, which the President signed into law on August 12, 2008. S. 3295 includes three key provisions:

First, S. 3295 provides that the Secretary of Commerce--who undoubtedly is a "Head[] of Department[]" for Appointments Clause purposes--"shall appoint" administrative patent and trademark judges.

Second, S. 3295 includes a retroactivity provision, stating that the Secretary of Commerce "may, in his or her discretion, deem the appointment of an administrative patent [or trademark] judge ... who, before the date of the enactment of this subsection, held office pursuant to an appointment by the Director to take effect on the date on which the Director initially appointed the ... judge."

Finally, the statute provides that "[i]t shall be a defense to a challenge to the appointment of an administrative [patent or] trademark judge on the basis of the judge's having been originally appointed by the Director that the administrative [] judge so appointed was acting as a *de facto* officer." *Id.* (italics added).

Even following enactment of the 2008 amendments, a challenge to the validity of a panel decision consisting of one or more BPAI or TTAB administrative judges appointed under the 1999 statute may implicate several substantial questions.

First, the question whether Congress may empower the "Head of a Department" retroactively to appoint a federal officer, and thereby to validate actions taken before retroactive appointment, will likely require judicial resolution.

Second, the courts will also likely be called upon to consider the scope and applicability of the "*de facto* officer" doctrine. Under this doctrine, acts performed by a person serving under the color of official title are often given "validity ... even though it is later discovered that the legality of that person's appointment ... is deficient." *Ryder v. United States*, 515 U.S. 177, 180 (1995). Courts may be particularly willing to enforce the *de facto* officer doctrine where the party challenging the decision in question is doing so long after the decision in question was issued and there is substantial ground for concern over the "chaos that might ensue if all of the actions taken by an official improperly in office for years were subject to invalidation." *Andrade v. Lauer*, 729 F.2d 1475, 1499 (D.C. Cir. 1984) (outlining the history and scope of the doctrine). Two recent Supreme Court opinions, however, have raised questions about the doctrine's applicability to judicial officers. *See Nguyen v. United States*, 539 U.S. 69 (2003) (doctrine inapplicable where a judge of the Article IV District Court for the Northern Mariana Islands had sat by designation on a three-judge panel of the U.S. Court of Appeals for the Ninth Circuit); *Ryder*, 515 U.S. 177 (declining to apply doctrine in the U.S. Court of Military Appeals context). It remains to be seen whether and how the *de facto* officer doctrine will apply to the actions of administrative law judges serving on the BPAI and TTAB.

[1]*See, e.g.*, John F. Duffy, *Are Administrative Patent Judges Unconstitutional?*, 2007 Patently-O Patent L.J. 21; John L. Welch, *Have TTAB Judges Been Appointed Unconstitutionally?* (May 5, 2008 blog posting)

[2]*See, e.g.*, Petition for Writ of Certiorari, *In re Translogic Tech. v. Dudas*, 07-1303 (S. Ct. April 16, 2008) (pending); Complaint, *Aldor Solutions Corp. v. Dudas*, 08-897 (D.D.C. May 28, 2008), at 4.