UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HIGHLEVEL, INC.,

Petitioner

v.

ETISON LLC D/B/A CLICKFUNNELS,

Patent Owner

IPR2025-00234

Patent No. 10,846,357

PATENT OWNER'S NOTICE TO THE BOARD OF THE DISTRICT COURT'S DECISION IN THE COUNTERPART LITIGATION

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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Prosecution History Excerpts of U.S. Patent Application No. 15/880,226 ("'357 file history")
2002	U.S. Patent Pub. No. 2017/0147364 ("Shaposhnikov")
2003	U.S. Patent Pub. No. 2008/0263135 ("Olliphant")
2004	U.S. Patent Pub. No. 2012/0151329 ("Cordasco")
2005	U.S. Patent No. 8,799,829 ("Grosz")
2006	Email from the Board authorizing Patent Owner's Notice of District Court Decision in the Counterpart Litigation (Apr. 29, 2025)
2007	Opinion and Order granting defendant's motion to dismiss and dismissing Plaintiff's amended complaint with prejudice. *Etison LLC v. HighLevel, Inc.*, Case No. 1:24-cv-00502, 2025 WL 961489, Docket No. 37 (D. Del. Mar. 31, 2025)
2008	Brief for Defendant in Support of its Motion to Dismiss, *Etison LLC v. HighLevel, Inc.*, Case No. 1:24-cv-00502, Docket No. 22 (D. Del. Jul. 29, 2024)

Patent Owner Etison, LLC d/b/a ClickFunnels hereby provides notice[1] to the Board of the district court's Opinion and Order in the counterpart litigation—*Etison LLC v. HighLevel, Inc*., Case No. 1:24-cv-00502, 2025 WL 961489 (D. Del. Mar. 31, 2025)—which found the '357 Patent's claims invalid under 35 U.S.C. § 101. EX2007. In accordance with the Director's Review Decision in *Hulu, LLC v. Piranha Media Distribution, LLC*, that district court finding weighs in favor of denial of institution. IPR2024-01252, Paper 27 at 3 (Dir. Apr. 17, 2025) ("where a district court already has found the challenged claims invalid, the efficiency and integrity of the patent system is best served by denying institution.").

I. THE DISTRICT COURT'S DECISION FINDING THE CHALLENGED CLAIMS INVALID UNDER §101 WEIGHS IN FAVOR OF DENYING INSTITUTION

As the Director stated in *Hulu*, "*Fintiv* encourages the parties to explain the impact of other facts and circumstances that exist in their proceeding on efficiency and integrity of the patent system." *Id*. at 3. Indeed, the *Fintiv* "framework generally addresses the impact of an ongoing proceeding in another tribunal that is progressing in parallel with the Board proceeding." *Id*. The district court in the parallel litigation

[1] The Board authorized Patent Owner's Notice via Email on Apr. 29, 2025. EX2006.

has rendered final judgment on all the challenged claims, which strongly weighs in favor of denial of institution. *Id*.

Here, despite filing an IPR petition, Petitioner continued to press its invalidity challenge against the '357 Patent's claims in district court. *See generally* EX2008. The district court granted Petitioner's motion and found all challenged claims invalid under § 101, dismissing Patent Owner's infringement claims with prejudice. EX2007, 15; *compare Hulu*, IPR2024-01252, Paper 27 at 2 ("the district court entered final judgment that the claims challenged in these proceedings are invalid under 35 U.S.C. § 101.").

"Because the patent claims already stand invalid, it is unnecessary to institute another proceeding to review them for patentability under other grounds." *Hulu*, IPR2024-01252, Paper 27 at 2 (denying institution where the district court "issued a decision granting Petitioner's motion to dismiss and dismissing with prejudice Patent Owner's infringement claim."). That Patent Owner has appealed the court's decision does not change the analysis. *Id*. at 2-3 (citing *Snap Inc. v. Blackberry Ltd*., IPR2020-00392, Paper 8 at 10 (Jul. 13, 2020) ("the *Fintiv* factors examine whether we should deny institution based on the advanced status of an underlying district court case. In this instance, the district court case has concluded.")). Indeed, the *Hulu* decision explains that even if "the Federal Circuit reverses the district court's

decision, Petitioner may raise such invalidity arguments in the district court on remand." *Id*. And, in the time since Patent Owner requested leave to submit this Notice, the Board stated that the Director's *Hulu* decision provides "clear guidance" on discretionary denial where the challenged claims have been held invalid in district court under § 101, "even though an appeal of that judgment is pending." *Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2025-00081, Paper 12 at 8 (May 1, 2025) ("Accordingly, under clear guidance from *Hulu*, because the District Court held all the '403 patent claims invalid under § 101, we deny institution.") (citing *Hulu*, IPR2024-01252, Paper 27 at 3).

In sum, as the Director expressed in *Hulu*, where the challenged claims already stand invalid after a final judgment from a district court, "the better and more efficient approach" is to deny institution. *Hulu*, IPR2024-01252, Paper 27 at 2-3. Thus, the efficiency and integrity of the patent system would best be served here if the Board likewise exercises its discretion to deny institution. *Id*. at 3 (citing *Apple Inc. v. Fintiv, Inc*., IPR2020-00019, Paper 11 at 16 (Mar. 20, 2020) (precedential)); Consol. Trial Prac. Guide, 2, 55-56.

II. CONCLUSION

Accordingly, the current facts and Director guidance strongly support the exercising of discretion to deny institution of *Inter Partes* Review.

DATED: May 6, 2025 Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of **PATENT OWNER'S NOTICE TO THE BOARD OF THE DISTRICT COURT'S DECISION IN THE COUNTERPART LITIGATION** was served on Petitioner by causing it to be sent by email to counsel for Petitioner at the following email addresses:

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