

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HIGHLEVEL, INC.,

Petitioner

v.

CLICKFUNNELS,

Patent Owner

Case IPR2025-00234

U.S. Patent No. 10,846,357

**PETITIONER'S REPLY IN SUPPORT OF
PETITION FOR *INTER PARTES* REVIEW OF
U.S. PATENT NO. 10,846,357**

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PETITIONER'S EXHIBIT LIST

Exhibit No.	DESCRIPTION
1001	U.S. Patent 10,846,357 (“357 patent”)
1002	Declaration of Dr. Kevin Almeroth
1003	Curriculum Vitae of Dr. Kevin Almeroth
1004	File History of U.S. Patent No. 10,846,357
1005	U.S. Patent No. 9,147,004 (“Coursol”)
1006	U.S. Patent Application Publication No. 2007/0061412 (“Karidi”)
1007	U.S. Patent Application Publication No. 2014/0282049 (“Lyon”)
1008	U.S. Patent Application Publication No. 2011/0288924 (“Thomas”)
1009	U.S. Patent No. 7,610,219 (“Sayed”)
1010	U.S. Patent No. 6,026,433 (“D’Arlach”)
1011	U.S. Patent No. 8,321,457 (“Tan”)
1012	Screenshot of Kajabi from the Internet Archive, available at https://web.archive.org/web/20100510202538/http://www.kajabi.com:80/
1013	Screenshot of Kajabi from the Internet Archive, available at https://web.archive.org/web/20101018200138/http://get.kajabi.com/sales_pages/138
1014	U.S. Patent Application Publication No. 2019/0028531 (“Nagar”)
1015	U.S. Application 62/536,403
1016	U.S. Application 62/536,403 Appendix A
1017	U.S. Application 62/536,403 Appendix C
1018	U.S. Patent Application Publication No. 2007/0299985 (“Craig”)

Exhibit No.	DESCRIPTION
1019	U.S. Patent No. 6,029,141 (“Bezos”)
1020	Claim Mapping Table
1021	Plaintiff’s Infringement Contention Chart (Ex. B)
1022	Plaintiff’s Infringement Contention Chart (Ex. D)
1023	U.S. Patent No. 5,715,314 (“Payne”)
1024	Chris J. Pilgrim, <i>Website Navigation of Tools – A Decade of Design Trends 2002 to 2011</i> , 13 AUIC Proc. 26, 3 (2012)
1025	Jatinder Manhas, <i>Comparative Study of Website Sitemap Feature as Design Issue in Various Websites</i> , 4 Int’l J. Eng’g & Mfg. 22 (2014)
1026	Ron Kohavi et al., <i>Controlled Experiments on the Web: Survey and Practical Guide</i> , 18 Data Mining & Knowledge Discovery 140 (2009)
1027	<i>Google Optimize Product Overview</i> , Google, extension://efaidnbmnnnibpcajpcglclefindmkaj/https://services.google.com/fh/files/misc/optimize_product_overview.pdf
1028	Rotimi Iziduh & Jon Mesh, <i>This Is Not a Test: Google Optimize Now Free – For Everyone</i> , Google Blog (Mar. 30, 2017), https://blog.google/products/marketingplatform/analytics/this-is-not-a-test-google-optimize-now-free-for-everyone/
1029	U.S. Patent No. 9,141,976 (“Urban”)
1030	U.S. Application 62/536,403 Concepts Appendix
1031	Screenshots of “Google Optimize Tutorial: How to Get Started Quickly,” available at https://youtu.be/IzTLxFOETgc?si=44HBVYF7PUgzADaj
1032	U.S. Patent Application Publication No. 2013/0198679 to Nurse et al. (“Nurse”)

Exhibit No.	DESCRIPTION
1033	Email from the Board authorizing Petitioner's Preliminary Reply (Mar. 21, 2025)

I. INTRODUCTION

ClickFunnels’ (“PO”) request that the Board discretionarily deny the Petition based on the district court’s judgment of patent ineligibility should be denied. *See* Brief (“Br.” at 1). The Board will reach its FWD *well before* the Federal Circuit decides PO’s § 101 appeal. There will be *no* overlap nor any duplication of efforts because § 101 is a separate issue that cannot be raised in IPR, and Federal Circuit authority holds that a district court’s invalidity determination on grounds that cannot be raised in an IPR does not prevent the Board from determining patentability based on § 311(b) prior art. Discretionarily denying a now-time barred petitioner does nothing to increase the efficiency and integrity of the patent system. On the contrary, it serves to (1) delay resolution of questions the Board should address now by statute, (2) invade the province of the Article I and III branches, and (3) prejudice Petitioner. Here, justice delayed is justice denied.

II. THE BOARD SHOULD NOT DISCRETIONARILY DENY INSTITUTION

A. The Board’s FWD Will Streamline the Case on Remand

If instituted, the Board’s FWD will resolve any issues related to patents and printed publications *well before* the District Court could address these issues on remand. In *Hulu, LLC v. Piranha Media Dist., LLC*, IPR2024-01252, Paper 27 (PTAB Apr. 17, 2025) (informative), the Director stated that the petitioner “may raise such invalidity arguments in the district court on remand,” but the timing here,

where the Board’s FWD would issue before the Federal Circuit’s decision on § 101, avoids these inefficiencies.¹ Moreover, if the Federal Circuit remanded, § 315(e)(2) estoppel would further streamline the district court case. *See Sony Grp. Corp. v. Inmusic Brands, Inc.*, IPR2023-00294, Paper 10 at 13 (PTAB July 25, 2023) (“the grounds raised in the Petition, under § 103, have not been raised in the district court proceeding, and cannot be prior to any potential future remand from the Federal Circuit should the § 101 determination be reversed”).

Indeed, resolution of the IPR before any remand will further the AIA’s goal of providing a “just, speedy, and inexpensive resolution” of the parties’ disputes. 37 C.F.R. § 42.1(b).

B. Federal Circuit Authority Holds that a Prior Invalidity Finding Does Not Preclude IPR

The Federal Circuit has held that a district court’s invalidity determination does not prevent the PTAB from performing its review. *See, e.g., Cochlear Bone Anchored Sols. AB v. Oticon Med. AB*, 958 F.3d 1348, 1359-1360 (Fed. Cir. 2020) (a prior § 112 invalidity determination did not prevent an unpatentability determination under §§ 102/103); *Samsung Elecs. Am., Inc. v. Prisia Eng’g Corp.*, 948 F.3d 1342, 1355 (Fed. Cir. 2020) (same); *Intel Corp. v. Qualcomm Inc.*, 21 F.4th

¹ PO appealed the district court’s § 101 determination on April 28, 2025. With an average pendency of 20 months, the Federal Circuit’s decision would issue December 2026, six months *after* the Board’s FWD.

801, 813-14 (Fed. Cir. 2021) (finding the Board’s patentability determination not “logically impossible” based on § 112).

PO’s suggestion that “the challenged claims already stand invalid” is not wholly accurate. Br. at 2. As the Board has acknowledged in similar circumstances, the challenged claims have not yet been cancelled and remain in force until the opportunity to appeal has been exhausted. *Volvo Penta of the Ams., LLC v. Brunswick Corp.*, IPR2022-01366, Paper 15 at 6 (PTAB May 2, 2023) (“these claims are subject to further judicial review and, therefore, are not finally adjudicated”). Indeed, “the district court’s judgment of invalidity under 35 U.S.C. § 101 . . . does not raise concerns of inefficient duplication of efforts or potentially inconsistent results between the Board and the district court.” *AviaGames, Inc., v. Skillz Platform Inc.*, IPR2022-00530, Paper 14 at 2-3 (PTAB Mar. 2, 2023). In fact, only the USPTO has statutory authority to cancel claims as unpatentable. *Sony* at 17-18. Accordingly, there is no authoritative basis—statutory or otherwise—to conclude that the PTAB should not fully consider Petitioner’s IPR challenge.

While § 314(a) provides the Director discretion in determining whether to institute an IPR proceeding, that discretion cannot exceed its statutory grant. *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1353 (Fed. Cir. 2020) (“The law has long been clear that the Director has no substantive rule making authority with respect to interpretations of the Patent Act.”); *SAS Inst., Inc. v. Iancu*,

584 U.S. 357, 363 (2018) (concluding that the practice of partial institution exceeded the “statutory limits” warned of in *Cuozzo*). In *Hulu*, however, the Board’s application of this purported “discretion”—whether intentional or not—suggests a new bright-line rule that invades the province of both Article I and Article III bodies.

Regarding Article I, Congress intentionally limited the scope of IPR proceedings. *Ingenico Inc. v. IOENGINE, LLC*, No. 2023-1367, 2025 WL 1318188, at *6-7 (Fed. Cir. May 7, 2025) (“[I]nstead of allowing a petitioner to challenge a claim under *any* theory of invalidity, Congress intentionally limited an IPR’s scope to invalidity challenges based on ‘prior art consisting of patents or printed publications.’” (citing 35 U.S.C. § 311(b)). But in *Hulu*, by requiring the Board to consider statutory grounds that cannot be raised in an IPR to deny an IPR, the Director has expanded the office’s authority beyond that of “patents and printed publications,” thereby exceeding Congress’s mandate.² While the Director has no authority to act outside the statutorily prescribed mandate, the *Hulu rule*, which does exactly that, will preclude institution based solely on a § 101 determination.

Regarding Article III, the Director’s rule effectively impales Petitioners on the horns of a dilemma: choose from the full range of § 282 defenses in district court

² While AIA § 6(c) allowed for the Director to impose a limit on the number of instituted IPR proceedings for workload and implementation concerns, this authority *sunset* after the first four years of IPR proceedings (i.e., in 2017). Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284, 304 (2011).

and forever waive IPR; or waive all Article III defenses and have an IPR instituted should the Director discretionarily decide to allow it. This is no choice at all, and it certainly was not Congress's intent in enacting the AIA.

C. Discretionary Denial Severely Prejudices Petitioner

In designating *Hulu* informative, the USPTO has ostensibly left discretion with the judges to decline to apply *Hulu* to the circumstances here. Denying institution would prevent Petitioner from ever being able to pursue an IPR challenge, despite undertaking the time and expense of filing its meritorious IPRs well in advance of the statutory deadline. Petitioner availed itself of the AIA to secure a “just, speedy, and inexpensive” resolution. The USPTO's recent policy shift is manifestly unfair and will severely prejudice Petitioner—and many like it in the future—should PO succeed on its § 101 appeal and Petitioner then find itself time-barred from raising §§ 102/103 challenges before the PTAB. The Board's broad-brush reasoning that Petitioner may be able to have its day in court at a much later date, but at a much greater expense and under a more burdensome evidentiary standard, flies in the face of Congress's intent for this timely, meritorious patent challenge before the Board.

III. CONCLUSION

The Board should not deny institution based on a district court's § 101 determination.

Date: May 13, 2025

Respectfully submitted,

/s/ Benjamin M. Haber

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Counsel for Petitioner

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

I hereby certify that on May 13, 2025, I caused a true and correct copy of the foregoing REPLY IN SUPPORT OF PETITIONER'S PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 10,846,357 to be served electronically on counsel for Patent Owner at the following addresses:

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