No. 25-148

United States Court of Appeals
for the Federal Circuit

In re HighLevel, Inc.
Petitioner

On Petion for a Writ of Mandamus to the United States Patent and Trademark Office in IPR2025-00234 & IPR2025-00235

BRIEF OF US*MADE, THE NATIONAL RETAIL FEDERATION, THE HIGH TECH INVENTORS ALLIANCE, THE ALLIANCE FOR AUTOMOTIVE INNOVATION, THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION, UNIFIED PATENTS, LLC, AND THE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION IN SUPPORT OF HIGHLEVEL AND THE PETITION FOR RELIEF

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September 2, 2025

CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rules 29(a) and 47.4, counsel for amici certifies that:

1. The full names of the parties that I represent are the US Manufacturers Association for Development and Enterprise, the National Retail Federation, the High Tech Inventors Alliance, the Alliance for Automotive Innovation, the Computer & Communications Industry Association, Unified Patents, LLC, and the Software & Information Industry Association
2. There are no real parties in interest of parties that I represent
3. There are no parent corporations or publicly held companies that own ten percent or more of the stock of the parties that I represent
4. No other law firms, partners, or associates who have not entered an appearance in this appeal either appeared for the parties that I represent in the originating court or are expected to so appear in this Court
5. I do not know of any case in this or any other court or agency that will directly affect or be directly affected by this Court's decision in this case

6. No disclosure regarding organizational victims in criminal cases or debtors or trustees in bankruptcy cases is required under Fed. R. App. P. 26.1(b) or (c).

September 2, 2025 /s/ *Joseph Matal*

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INTEREST OF AMICI CURIAE

The U.S. Manufacturers Association for Development and Enterprise is a nonprofit association representing companies manufacturing diverse goods in the United States.

The National Retail Federation is the world's largest retail trade association.

The Alliance for Automotive Innovation represents the full automotive industry, including the manufacturers producing most vehicles sold in the U.S. and equipment suppliers.

The High Tech Inventors Alliance represents leading technology providers and includes some of the most innovative companies in the world.

The Computer & Communications Industry Association is an international, not-for-profit trade association representing a broad cross section of communications and technology firms.

Unified Patents, LLC is a membership organization dedicated to deterring non-practicing entities, particularly patent assertion entities, from extracting nuisance settlements from operating companies based on likely-invalid patents.

The Software & Information Industry Association is the principal trade association for the software and digital information industries.[1]

[1] No counsel for any party wrote any part of this brief. No party other than amici curiae's members contributed money that was intended to fund the preparation or submission of this brief. This brief is accompanied by a motion seeking leave to file.

A NOTE ON BRIEFING

Amici have also filed briefs in *In re SAP America, Inc.*, No. 25-132, *In re Motorola Solutions, Inc.*, No. 25-134, and *In re Google, LLC*, No. 25-144. The first two sections of the present brief are similar to the corresponding sections of these other briefs. The third and fourth sections of this brief address whether petitioners are entitled to due process in PTAB institution decisions, and the appropriate remedy for the USPTO's retroactive application of new procedural bars. (The third sections of amici's other briefs address other retroactive rules that the USPTO has adopted in recent months (*SAP America*); the rulemaking requirements of the Administrative Procedure Act (*Motorola Solutions*); and whether PTAB institution decisions are a type of administrative decision that is absolutely discretionary and thus incapable of being governed by legal standards (*Google*).)

ARGUMENT

I. It is clear and indisputable that an administrative agency such as the USPTO cannot apply new rules retroactively.

"Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly." *Landgraf v. USI Film Prods.*, 511 U.S. 244, 265 (1994). "In a free, dynamic society, creativity in both commercial and artistic endeavors is fostered by a rule of law that gives people confidence about the legal consequences of their actions." *Id.* at 266.

Limits on retroactive rulemaking apply with special force to executive agencies. "It is axiomatic that an administrative agency's power to promulgate legislative regulations is limited to the authority delegated by Congress." *Bowen v. Georgetown University Hosp.*, 488 U.S. 204, 208 (1988). For this reason, "a statutory grant of legislative rulemaking authority will not, as a general matter, be understood to encompass the power to promulgate retroactive rules unless that power is conveyed by Congress in *express terms*." *Id.* (emphasis added).

Relatedly, "traditional concepts of due process incorporated into administrative law preclude an agency from penalizing a

private party for violating a rule without first providing adequate notice of the substance of the rule." *Satellite Broadcasting Co., Inc. v. FCC*, 824 F.2d 1, 3 (D.C. Cir. 1987). "The Due Process Clause limits the extent to which the Government may retroactively alter the legal consequences of an entity's or person's past conduct." *PHH Corp. v. CFPB*, 839 F.3d 1, 41 (D.C. Cir. 2016) (Kavanaugh, J.), *reinstated in relevant part and reversed on other grounds*, 881 F.3d 75 (D.C. Cir. 2018) (en banc). "Due process therefore requires agencies to 'provide regulated parties fair warning of the conduct a regulation prohibits or requires.'" *Id.* at 46 (quoting *Christopher v. SmithKline Beecham Corp.*, 567 U.S. 142 (2012)).

As Petitioner notes (Brief at 16-17), this Court and the D.C. Circuit have applied these principles to invalidate agencies' attempts to retroactively apply new procedural bars to proceedings pending before the agency. In *Durr v. Nicholson*, 400 F.3d 1375 (Fed. Cir. 2005), this Court barred an administrative tribunal from enforcing a new procedural rule against a request for review that had been filed before the rule was announced. The Court held that applying the new rule "would have an impermissible retroactive effect if it would render invalid a notice that was valid when filed." *Id.* at 1380.

Similarly, in *Stolz v. FCC*, 882 F.3d 234 (D.C. Cir. 2018), the D.C. Circuit held that parties to proceedings before an agency must be given "fair notice" of the procedural rules that will be applied to their cases. *Id.* at 239. The court held that "[i]f an agency wants a procedural requirement to have the type of claim-foreclosing consequence the FCC attached here, it needs to be explicit about the rule and upfront about consequences of noncompliance." *Id.*; *see also Board of County Commissioners of Weld County, Colorado v. EPA*, 72 F.4th 284, 293 (D.C. Cir. 2023) ("We have made clear that because EPA lacks statutory authority to promulgate retroactive rules, it cannot impose on States new obligations with compliance deadlines already in the past.").

II. It is clear and indisputable that the USPTO's new *Hulu* rule is being applied retroactively—and is unconstitutional.

On June 21, 2022, the USPTO adopted "binding agency guidance" providing that "compelling, meritorious challenges will be allowed to proceed at the PTAB even where district court litigation is proceeding in parallel."[2] Several months later, the Director made clear that this "compelling merits" test would allow a PTAB petition to go forward even if a parallel district court action resulted in a finding the patent is invalid on another statutory ground. In *AviaGames, Inc. v. Skillz Platform, Inc.*, IPR 2022-00539 (Mar. 2, 2023), the Director herself held that such a petition will not be "discretionarily denied" if it presents a strong case on the merits. As the Director noted, if the district court's invalidity decision were subsequently reversed on appeal, "Petitioner will be barred under 35 U.S.C. § 315(b) from bringing a new challenge in an IPR petition." *Id.*

[2] *See* USPTO, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation ("the Vidal memo"), Jun. 21, 2022, *available at* https://tinyurl.com/2zj76t6n.

This is the rule that was in place when HighLevel and other parties chose to forego district-court obviousness challenges in favor of filing a petition at the PTAB.

On April 17, 2025, however, the USPTO announced a new rule that if a district court finds that a patent is invalid on another statutory ground, a parallel PTAB petition will be automatically barred—*regardless* of the strength of the petition's invalidity case. *See Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2024-01252, -01253 (Apr. 17, 2025). In the *Hulu* case itself—and in several other proceedings since[3] —this rule has been applied to procedurally bar petitions that were filed while the prior "binding guidance" creating a strong-merits safe harbor was in place. Indeed, the USPTO has even applied the *Hulu* rule to deinstitute a petition that was filed in ***June of 2023*** and that had already resulted in a final written decision.[4]

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[3] *See Google LLC v. TJTM Techs., LLC*, IPR2025-00586 (Aug. 14, 2025); *UiPath, Inc. v. Rule 14 LLC*, IPR2025-00623 (Jul. 29, 2025); *Verizon Connect Inc. v. Omega Patents LLC*, IPR2023-01162 (Jun. 3, 2025); *Shopify Inc. v. DKR Consulting LLC*, IPR2025-00132, -00130, -00133 (May 29, 2025), IPR2025-00131 (Jun. 2, 2025); *HighLevel Inc. v. Clickfunnels et al.*, IPR2025-00234, -00235 (Jun. 2, 2025).

[4] *See Verizon Connect Inc. v. Omega Patents LLC*, IPR2023-01162 (Jun. 3, 2025).

Every one of these petitions was filed in 2024 or early 2025, before the petitioners could possibly have known about the USPTO's rule change. Every single one was an important part of the petitioner's invalidity defense and cost over $100,000 to prepare and file. Every single one of these petitions was entitled to consideration under the "compelling merits" safe harbor according to the rules that were in place when the petition was filed. And every single one of these petitions has now been denied because of the USPTO's post-filing rule change.

The USPTO's retroactive repeal of access to PTAB proceedings is exactly the type of administrative action that the D.C. Circuit has condemned: "When a government agency officially and expressly tells you that you are legally allowed to do something," *PPH Corp.*, 839 F.3d at 47, "but later tells you 'just kidding' and enforces the law retroactively against you and sanctions you for actions you took in reliance on the government's assurances, that amounts to a serious due process violation." *Id.* Petitioners, relying on the USPTO's "binding agency guidance," took the time to prepare compelling IPR petitions, only to be told "just kidding" after the petitions were filed.

There can be no doubt that the USPTO's new *Hulu* rule is being applied retroactively—and constitutes a due process violation. To determine whether a rule is being applied retroactively, the Supreme Court looks to "the relevant conduct" that is regulated by the rule. *Republic of Austria v. Altmann*, 541 U.S. 677, 697 (2004). The high court indicated that this analysis "parallels that advocated by Justice Scalia in his concurrence in *Landgraf*." *Id.* at n. 17. Under this approach, the "relevant conduct" regulated by an evidentiary or other procedural rule is the litigation event in the proceeding to which the rule applies:

> A new rule of evidence governing expert testimony, for example, is aimed at regulating the conduct of trial, and the event relevant to retroactivity of the rule is introduction of the testimony. Even though it is a procedural rule, it would unquestionably not be applied to testimony already taken—reversing a case on appeal, for example, because the new rule had not been applied at a trial which antedated the statute.

Landgraf v. USI Film Products, 511 U.S. 244, 291-92 (1994) (Scalia, J., concurring in judgment); *see also Whitserve, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 31 n. 14 (Fed. Cir. 2012) (declining to apply on appeal a "new rule of evidence [that was announced] after trial.") (citing *Landgraf*, 511 U.S. at 275 n. 29).

Thus as the *Landgraf* majority itself noted, "[a] new rule concerning the filing of complaints would not govern an action in which the complaint had already been properly filed under the old regime." *Landgraf*, 511 U.S. at 275 n. 29.

The USPTO's new *Hulu* rule is being applied retroactively. The Acting Director is applying the rule to procedurally bar PTAB petitions that "had already been properly filed under the old regime." *Id.* Such an application of a new rule plainly "changes the legal consequences of acts completed before its effective date." *Miller v. Florida*, 482 U.S. 423, 430 (1987) (citation omitted).

Although some procedural rules can be applied to pending cases without violating due process, deadlines and other procedural bars are different. The key distinction for constitutional purposes is whether application of a new procedural bar to pending cases still affords parties a reasonable opportunity to comply with the rule. As the Supreme Court has emphasized, "[t]he Constitution . . . requires that statutes of limitations must allow a reasonable time after they take effect for the commencement of suits upon existing causes of action." *Block v. North Dakota ex rel. Bd. of University and School Lands*, 461 U.S. 273, 286 n. 23 (1983) (citations omitted). "[S]tatutes of limitation affecting existing rights are not

unconstitutional, if a reasonable time is given for the commencement of an action before the bar takes effect." *Texaco, Inc. v. Short*, 454 U.S. 516, 527 n. 21 (1982) (quoting *Terry v. Anderson*, 95 U.S. 628, 632 (1877)).[5]

Notably, this constitutional limitation on retroactive rulemaking applies even to *legislative* rulemaking. Even "[t]he *legislature* cannot extinguish an existing cause of action by enacting a new limitation period without first providing a reasonable time after the effective date of the new limitation period in which to initiate the action." *Brown v. Angelone*, 150 F.3d 370, 373 (4th Cir. 1998) (emphasis added); *see also Block*, 461 U.S. at 286 n. 23 (discussing congressional legislation); *Ross v. Artuz*, 150 F.3d at 100 (same).

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[5] *See also Ross v. Artuz*, 150 F.3d 97, 100 (2nd Cir. 1998) ("[Even] where it is clear that Congress intended to foreclose suits on certain claims, the Constitution requires that statutes of limitations must allow a reasonable time after they take effect for the commencement of suits upon existing causes of action.") (citations and quotations omitted); *In re Apex Exp. Corp.*, 190 F.3d 624, 642 (4th Cir. 1999) (noting "the constitutional concerns that would be associated with a retroactive reduction in the statute of limitations."); *Steven I. v. Central Bucks School Dist.*, 618 F.3d 411, 414-15 (3rd Cir. 2010); *Chenault v. U.S. Postal Service*, 37 F.3d 535, 539 (9th Cir. 1994).

Congress and the state legislatures do have some power to enact retroactive rules—within constitutional limits. But an administrative agency has no power to apply rules retroactively *at all* (absent express authorization from Congress, which the USPTO conspicuously lacks). This Court need not identify the limits on *congressional* power to retroactively change procedural bars in order to conclude that the USPTO's foray into retroactive rulemaking is illegal *ab initio*.

III. PTAB petitioners are entitled to due process.

The USPTO's supporting amici contend that the Due Process Clause does not protect petitioners in PTAB proceedings—that "IPR petitions do not implicate for petitioners the protections for due process and private rights secured under the Constitution." Retired Officials Brief in No. 25-132, at 3; *see also id.* at 7 ("[N]othing about an IPR petition qualifies for due process protection.").[6]

This Court, however, has recognized that particularly those PTAB petitioners who have been sued for infringement have

[6] The USPTO, to its credit, merely posits that "it is far from clear that [a PTAB petitioner] has the requisite interest to support any sort of due-process challenge." USPTO Brief in No. 25-134 at 21.

legitimate, protectable interests in their PTAB petitions—and that *both parties* to the proceedings are generally entitled to due process.

Apple, Inc. v. Vidal, 63 F.4th 1 (Fed. Cir. 2023), held that "because of the infringement suit," a PTAB petitioner involved in parallel litigation faces an "injury [that is] is concrete and legally protected." *Id.* at 17. The Court found that PTAB petitioner Apple, Inc., had standing to assert an APA challenge to the USPTO's *Fintiv* parallel-proceedings rule. It concluded that *Fintiv*—which is "plausibly alleged to cause more denials of institution than might otherwise occur"—causes harm to petitioners' protectable interests "in the form of denial of the benefits of IPRs linked to the concrete interest possessed by an infringement defendant." *Id.*

Apple v. Vidal is consistent with this Court's general holding that "the parties" to PTAB proceedings—not just patent owners—are entitled to the protections of the Administrative Procedure Act, which incorporates "traditional concepts of due process." *Satellite Broadcasting Co., Inc. v. FCC*, 824 F.2d at 3. The Court has emphasized that:

> "As formal administrative adjudications, IPRs are subject to the APA." *Hamilton Beach Brands, Inc. v. f'real Foods, LLC*, 908 F.3d 1328, 1338 (Fed. Cir. 2018) (*citing Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1298, 1301 (Fed. Cir. 2016)). . . . .

> To comply with the APA in an IPR proceeding, the Board must "timely inform[ ]" the parties of "the matters of fact and law asserted," 5 U.S.C. § 554(b)(3); it must give the parties an opportunity to submit facts and arguments for consideration, *id.* § 554(c); and it must permit each party to present oral and documentary evidence in support of its case or defense, as well as rebuttal evidence, *id.* § 556(d). *See Hamilton Beach Brands*, 908 F.3d at 1338; *Rovalma, S.A. v. Bohler-Edelstahl GmbH & Co.* KG, 856 F.3d 1019, 1029 (Fed. Cir. 2017); *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015). "Pursuant to these provisions, the Board may not change theories midstream without giving the parties reasonable notice of its change." *Hamilton Beach Brands*, 908 F.3d at 1338 (citing *Belden*, 805 F.3d at 1080 (interpreting § 554(b)(3) in the context of IPR proceedings)).

Fanduel, Inc. v. Interactive Games LLC, 966 F.3d 1334, 1339 (Fed. Cir. 2020).

Litigation defendants' legitimate, concrete interests in their PTAB petitions are reinforced by the public interest in these proceedings. The Supreme Court has long held that "[t]he possession and assertion of patent rights are issues of great moment to the public," *Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co.*, 324 U.S. 806, 815 (1945), and that it "is the public interest which is dominant in the patent system." *Mercoid Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 665 (1944).

To protect the public's interests, the Supreme Court has emphasized the need to allow the "authoritative testing of patent

validity." *Blonder-Tongue Labs., Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 344-45 (1971). The America Invents Act serves these "important congressional objective[s]" by creating administrative proceedings that allow the USPTO to apply its own expertise to "revisit and revise earlier patent grants." *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 272 (2016); *see also Thryv, Inc v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020) (PTAB proceedings protect the public by preventing "overpatenting and its diminishment of competition.").

PTAB proceedings are overwhelmingly filed by parties that have been sued for infringement or face the prospect of suit. These parties' potential liability is frequently in the millions or even billions of dollars. And vindication of their private interests serves the public's "paramount interest," *Cuozzo*, 579 U.S. at 263, in ensuring that invalid patents do not increase costs or reduce choices for consumers. These interests are more than sufficient to allow PTAB petitioners to invoke basic due-process protections against retroactive rulemaking by the USPTO.

IV. A remedy for retroactive rulemaking must afford parties a reasonable opportunity to comply with new rules.

If this Court concludes that there is "serious doubt" that the USPTO's retroactive application of its new procedural rules violates due process, *Veterans4You LLC v. United States*, 985 F.3d 850, 860 (Fed. Cir. 2021) (citation omitted), the simplest solution—one that "avoid[s] the decision of constitutional questions," *id.* at 861—is to require the USPTO to promulgate its PTAB procedural rules through notice-and-comment rulemaking under the Administrative Procedure Act.

APA rulemaking requires prepublication of proposed rules in the Federal Register and their review by the Office of Management and Budget. *See* 5 U.S.C. § 553; Executive Order 12866 (Sep. 30, 1993). This process ensures that the public has advance notice of new rules and provides a measure of supervision that tends to forestall the more unsound proposals that may emerge from an agency.[7] And as amici have noted elsewhere (Brief in No. 25-134, at 14-18), simply holding the USPTO to the legal positions that it has

[7] As the Supreme Court has noted, "[The APA serves] as a check upon administrators whose zeal might otherwise have carried them to excesses not contemplated in legislation creating their offices." *United Sates v. Morton Salt Co.*, 338 U.S. 632, 644 (1950).

advanced before this Court would require that its new PTAB institution rules to be recognized as rules that are subject to the APA.

In the absence of APA rulemaking, if this Court concludes that the USPTO's new PTAB institution rules are illegally retroactive, it must ensure that any remedy provides PTAB petitioners with a reasonable opportunity to comply with the new rules. *See Block*, 461 U.S. at 286 n. 23 ("[New or shortened] statutes of limitations must allow a reasonable time after they take effect for the commencement of suits upon existing causes of action."); *Texaco*, 454 U.S. at 527 n. 21 (same).

When newly enacted procedural bars fail to reasonably accommodate previously accrued actions, courts have imposed "grace periods" that delay the application of the new rule until parties have had a reasonable opportunity to file their actions. In *TwoRivers v. Lewis*, 174 F.3d 987 (9th Cir. 1999), for example, the Ninth Circuit held that a legislative enactment that eliminated the tolling of a statute of limitations could not be applied to a case if doing so would not have afforded the party a reasonable time to file its action after the new rule was enacted. *See id.* at 995 ("Statutes of limitations may be modified by shortening the time prescribed,

but only if a reasonable time still remains for the commencement of the action before the bar takes effect.") (quoting *Ochoa v. Hernandez y Morales*, 230 U.S. 139, 161–162 (1913)).

TwoRivers concluded that 3 months was not a reasonable time in which to file a 42 U.S.C. § 1983 action, and thus the legislative repeal of tolling could not be applied to the case and the prior rule would govern instead. *See id.* at 996 ("We hold that a time period of less than three months does not constitute a reasonable time . . . to file suit."); *see also Schweihs v. Burdick*, 96 F.3d 917, 919 (7th Cir. 1996) ("Courts have determined reasonable periods on a case-by-case basis and have approved [grace] periods as short as nine months and as long as fifteen months.") (citations omitted).

The decision whether and when to file a PTAB petition is made many months before the petition is filed. Simply applying the USPTO's new PTAB rules to all petitions filed the day after the rule is announced would not afford parties a reasonable opportunity to file their petitions.

Amici propose that appropriate relief would be to make any new rule that is triggered by parallel district court litigation—such as the *Hulu* rule at issue in this case—applicable only to petitions for which the parallel litigation was filed after the new rule was adopted. Amici

reiterate that the most straightforward remedy is simply to enforce the rulemaking requirements of the APA for PTAB proceedings. But absent such relief, any new parallel-proceedings rules should apply only to petitions for which the parallel civil action was filed after the rule was adopted. Such a remedy would provide clear guidelines to the public and ensure that petitioners have a reasonable opportunity to comply with the new rules.

CONCLUSION

The petition for relief should be granted.

Respectfully submitted,

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Dated: September 2, 2025

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(g), the undersigned counsel for amici curiae certifies that this brief:

(1) complies with the type-volume limitation of Federal Rule of Appellate Procedure 29(b)(5) and Federal Circuit Rule 21(e) because it contains 3717 words, including footnotes and excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b); and

(2) complies with the typeface and style requirements of Federal Rule of Appellate Procedure 32(a)(5) and (a)(6) because this document has been prepared using Microsoft Office Word and is set in the Bookman Old Style font in a size equivalent to 14 points or larger.

Dated: September 2, 2025 /s/ *Joseph Matal*