

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DK CROWN HOLDINGS INC. (FORMERLY DRAFTKINGS, INC.),
A DELAWARE CORPORATION,
PETITIONER,

v.

DIOGENES LIMITED,
Patent Owner.

Case IPR2023-00266
U.S. Patent No. 10,970,969
Attorney Docket No.: 087764.0109

**PETITIONER'S MOTION TO STRIKE NEW EXHIBITS AND
ARGUMENTS SUBMITTED IN PATENT OWNER'S SUR-REPLY**

TABLE OF CONTENTS

I.	Governing Law	1
II.	Argument	2
	A. Exhibits 2036 and 2037 Are Improper New Evidence	2
	B. PO’s Sur-Reply Includes “New Arguments”	3
III.	Conclusion	5

Pursuant to authorization granted during the February 26th Board teleconference (Paper 25),¹ Petitioner DK Crown Holdings Inc. moves to strike new Exhibits 2036-2037 and related arguments submitted with Patent Owner Diogenes Limited's ("PO") Sur-Reply (Paper 24). Particularly, Petitioner moves to strike from PO's Sur-Reply the new arguments related to new Exhibits 2036-2037 that (1) "the Board has already rejected" that Schugar (Ex. 1005) and DeWaal (Ex. 1004) are analogous (Paper 24, 7-8); and (2) that "in DeWaal there is no ongoing event or wager in progress" such that a POSITA would not be motivated to combine Schugar with DeWaal (Paper 24, 9-10).

I. Governing Law

The PTAB's rules expressly prohibit introducing new arguments and "new evidence" in a Sur-Reply. 37 C.F.R. § 42.23(b) ("A sur-reply may only respond to arguments raised in the corresponding reply and may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness."); PTAB Consolidated Trial Practice Guide ("TPG"), 73-74 (Nov. 2019) ("The sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness. Sur-replies should only respond to arguments made in reply briefs, comment on reply declaration testimony,

¹ Exhibits 2036-2037 are also subject to Petitioner's co-pending Motion to Exclude, which was filed on February 29, 2024. Paper 28.

or point to cross-examination testimony.”). When a Sur-Reply “raises new issues, is accompanied by belatedly presented evidence, or otherwise exceeds the proper scope,” the appropriate remedy is a motion to strike. TPG, 80.

II. Argument

A. Exhibits 2036 and 2037 Are Improper New Evidence

Exhibits 2036 and 2037 are newly filed exhibits, and are not “deposition transcripts of the cross-examination of any reply witness;” they therefore are improper and should be stricken. *See* 37 C.F.R. § 42.23(b); *Ford Motor Company v. Safe Driving Technologies LLC*, IPR2021-01446, Paper 28, 83 (Mar. 10, 2023) (new sur-reply evidence not permitted). The Board routinely strikes improper new evidence like this. *See, e.g., Satco Products, Inc. v. Seoul Semiconductor Co., Ltd.*, IPR2020-00836, Paper 45, 75-76 (Oct. 22, 2021) (granting petitioner’s Motion to Strike exhibits as “new evidence,” not “rebuttal evidence,” because they “were not of record prior to Patent Owner filing them with its Sur-Reply” and are not “deposition transcripts of the cross-examination of any reply witness.”); *Samsung Electronics Co., Ltd. v. Communication Technologies, Inc.*, IPR2022-01221, Paper 85, 6-7 (Sept. 14, 2023) (granting petitioner’s Motion to Strike new exhibits in sur-reply that patent owner “could have filed [...] with its Response” but did not and offered no authorization or good cause for the late submission); *Lenovo Holding Co., Inc. v. Dodots Licensing Solutions LLC*, IPR2019-01278, Paper 37, 31-33 (Jan. 19,

2021) (striking a supplemental declaration filed with patent owner’s sur-reply because it constituted new evidence); *Clearone, Inc. v. Shure Acquisition Holdings, Inc.*, IPR2019-00683, Paper 66, 3-5 (Apr. 20, 2020) (striking patent file histories and non-patent literature filed with patent owner’s sur-reply as new evidence).

The exhibits include an IPR petition and institution decision from a related proceeding between the parties that issued on the same day that institution here was granted. *See* Ex. 2036; Paper 9. PO thus received these materials at least three months prior to filing its POR and with ample opportunity to submit them with that brief. No “good cause” supports PO’s belated attempt to raise them now, less than a month before Oral Argument and after DraftKings’ opportunity for merits briefing has closed. TPG, 74 (“It is also improper for a reply to present new evidence [...] that could have been presented in a prior filing”); *see also* 37 CFR §42.5(c)(3).

B. PO’s Sur-Reply Includes “New Arguments”

PO relies on these new exhibits to allegedly support two Sur-Reply arguments: (1) that the Board “has already rejected” that Schugar and DeWaal are analogous art (Paper 24, 7-8), and (2) there is no motivation to combine because DeWaal fails to disclose an “ongoing event or wager in process” (Paper 24, 9-10). Both arguments are untimely as they should have been raised in the POR, rather than for the first time in a Sur-Reply.

To be sure, PO argued in its POR that there is no motivation to combine

Schugar and DeWaal. Paper 13, 28-46. However, that argument focused on the alleged failure of “Schugar and DeWaal [] to disclose, teach, or suggest hardware capable of performing” the limitation of “monitoring a current status of a sporting event” at a central server. *Id.*, 37. That argument is distinct, however, from the two new arguments PO submits here. Specifically, PO never previously raised that any prior Board panel foreclosed analogousness of DeWaal and Schugar. Nor did PO identify DeWaal’s alleged failure to disclose an “ongoing event or wager in process” as a basis for disputing analogousness or motivation to combine in its POR.

Indeed, PO never once contested analogousness of DeWaal and Schugar prior to the Sur-Reply—neither Patent Owner’s Preliminary Response nor the POR recite the word “analog” or any of its derivatives. *See generally* Papers 6, 13. And while Petitioner’s Reply includes a single sentence which reiterates the previously undisputed fact, first raised in the Petition, that “Schugar and DeWaal are analogous art” (Paper 21, 17; *see also* Paper 1, 20-21), that statement alone does not open the door to PO’s attempt to introduce improper new evidence and arguments with its Sur-Reply. To the extent PO argues these new arguments and evidence are “proper rebuttal evidence” to Petitioner’s assertions, the Board has rejected similar arguments. *See, e.g., Satco Products*, Paper 45, 75-76.

PO’s untimely arguments and evidence are improper and misleading because they stem from a claim construction involving different limitations that are not at

issue in this proceeding. *See* Paper 28, 6. Specifically, the Challenged Claims here do not recite that “the wager must ‘coincide[] with each of the defined number of legs,’” which the Board panel cited by PO relied on in construing the term “wager.” Ex. 2036, 11-12. Here, neither party, nor the Board in its Institution Decision, proffers any similar construction. *See* Paper 9, 15. At this late stage, Petitioner is unable to meaningfully respond to the merits of these new arguments before the Oral Hearing, which is just over two weeks away.

III. Conclusion

For the above reasons, Petitioner submits that Exhibits 2036-2037 and the portions of PO’s Sur-Reply identified above should be stricken.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies on this 4th day of March 2024, that a true and correct copy of the foregoing **PETITIONER’S MOTION TO STRIKE NEW EXHIBITS AND ARGUMENTS SUBMITTED IN PATENT OWNER’S SUR-REPLY** was served in its entirety on the following parties via electronic mail:

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