

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

DK CROWN HOLDINGS INC.,

Petitioner

v.

DIOGENES LIMITED,

Patent Owner

IPR2023-00266

U.S. Patent No. 10,970,969

**PATENT OWNER'S OPPOSITION
TO PETITIONER'S MOTION TO STRIKE**

Table of Contents

I. PO’s Sur-Reply does not Present “New Arguments”; it Responds to Petitioner’s Reply	1
II. Striking Sur-Reply Argument is an Exceptional Remedy.....	2
III. Exhibits 2036 and 2037 are not “New Evidence”	3
IV. Conclusion	5

Patent Owner's ("PO") Sur-Reply arguments are not "new arguments", as characterized by Petitioner. The Sur-Reply properly responds to Petitioner's Reply, and points out that arguments maintained therein have already been rejected by the Board in related proceedings.

I. PO's Sur-Reply does not Present "New Arguments"; it Responds to Petitioner's Reply

Petitioner's portrayal of PO's argument—*e.g.*, that the "prior Board panel foreclosed analogousness of DeWaal and Schugar"—is misleading. *See* Petitioner's Motion to Strike, Paper 29, p. 4. Rather, PO is simply pointing out that the asserted *basis* for Petitioner's "analogy" between the prior art—that "*both are directed to cashing out a wager* before the completion of a multi-leg wagering event..."—has already been rejected by the Board in related proceedings, since the Petition in this one. *See* Petitioner's Reply, Paper 21, p. 17 (emphasis added).

PO has always contested (a) the motivation to combine the asserted art and (b) that the prior art, including DeWaal, is "directed to cashing out a wager". PO has argued, for instance, that "Petitioner's argument that the games in DeWaal and Schugar 'naturally align' is simply wrong", that "DeWaal does not disclose a system that can implement a 'selection game' as a primary game" or "provide an 'award to quit'" (*i.e.*, the purported "cash out") in a primary game, and that neither Schugar nor DeWaal teaches a central server "monitoring a current status of a sporting event to generate a cash out offer." Preliminary Response, pp. 26-27; POR, p. 37.

PO’s Sur-Reply properly responds to Petitioner’s positions in Reply that were, to PO’s surprise, *advanced again* notwithstanding their rejection in related proceedings. PO could not have anticipated that Petitioner would double down by persistently advancing already-rejected arguments. Since Petitioner chose to do so in its Reply, arguing DeWaal is “directed to cashing out a wager before the completion of a multi-leg wagering” despite the Board’s prior finding that “DeWaal discloses that a player’s selection of a winning outcome for each round of the bonus game *is independent of the wager* made by the player in the base game”,¹ PO’s Sur-Reply is proper. It seeks to avoid inconsistent findings in related proceedings concerning the same patent family, prior art, and claim terms (*e.g.*, a “wager”).

II. Striking Sur-Reply Argument is an Exceptional Remedy

While not appropriate here in any event, striking any of a party’s sur-reply argument is an exceptional remedy that the Board will rarely grant. *See* PTAB Consolidated Trial Practice Guide, p. 80 (Nov. 2019).

Moreover, Petitioner’s request that Board “strike from PO’s Sur-Reply the new arguments related to new Exhibits 2036-2037”—a request that does not identify specific portions of the Sur-Reply to strike—asks the Board to parse the Sur-Reply to determine which portions relate to the impugned evidence. Petitioner’s Motion to

¹ Petitioner’s Reply, Paper 21, p. 17; Exhibit 2036, Decision Denying Institution, IPR2023-00265, Paper 9, p. 16 (emphases added).

Strike, Paper 29, p. 1. The Board is not required to do this. *See Samsung Electronics Co., Ltd. v. Communication Technologies, Inc.*, IPR2022-01221, Paper 85, pp. 7-8 (Sept. 14, 2023) (Board declining to strike sur-reply because it would require the Board to perform its own parsing exercise); *See also Lenovo Holding Co., Inc. v. Dodots Licensing Solutions LLC*, IPR2019-01278, Paper 37, p. 32 (Jan. 19, 2021).

This case does not warrant the exceptional remedy sought. Instead, the Board can and should consider PO's Sur-Reply, assess whether it raises new issues, and accord weight as it sees fit. *Id.*, p. 32; *Samsung, supra*, pp. 7-8.

As set out below, the Board should take official notice of its prior decision in IPR2023-00265 in any event.

III. Exhibits 2036 and 2037 are not “New Evidence”

In respect of Exhibits 2036 and 2037, Petitioner's Motion to Strike seeks the same ultimate relief as its co-pending Motion to Exclude, on the same basis. PO's opposition is the same.

Exhibits 2036 and 2037 are not “new evidence”. They are adjudicative facts, demonstrating merely (a) that Petitioner made the same arguments in Reply as it made in its petition in another IPR and (b) that those arguments were rejected by this Board.

The Board is empowered to take official notice of Exhibits 2036 and 2037 in IPR2023-00265. The Board may “take [official] notice on its own or must take [official] notice if a party requests it and the court is supplied with the necessary

information.” *See* FRE 201(c) and 37 CFR § 42.62. *See also, e.g., Google LLC v Jenam Tech LLC*, IPR2021-00627, Paper 39, *2 (Board taking official notice of other IPR proceedings between the same parties involving substantially the same issues). The Board may take official notice at any stage of a proceeding. *See* FRE 201(d) and 37 CFR § 42.62.

Here, official notice is necessary to avoid inconsistent decision-making and to promote efficiency and fairness in this proceeding. Exhibits 2036 and 2037 reflect adjudicative facts relating to the same parties, the same prior art, and closely related issues. Their source, *i.e.* an IPR before this Board, can be accurately and readily determined. *See* FRE 201(b) and 37 CFR § 42.62.

Contrary to Petitioner's argument, there is no absolute prohibition on new documents ever being introduced with a sur-reply. In *Samsung*, for example, which Petitioner relies on in this motion, the patent owner sought to introduce with its sur-reply a pending complaint it commenced against a third party more than a year before the petition, along with the proof of service of that complaint. Despite finding that the impugned exhibits were not “deposition transcripts of a reply witness” and thus “under the plain language of the rule should not have been filed with the Sur-reply”, and further finding that the Patent Owner “fail[ed] to provide any explanation at all of its failure to submit these exhibits with the Patent Owner Response”, the Board denied Petitioner's motion to exclude the exhibits because “it would be in the

interest of justice to admit [them] in order to have a complete record.” See Paper 29, p. 2; see *Samsung Electronics Co., Ltd. v. Communication Technologies, Inc.*, IPR2022-01221, Paper 85, pp. 4-7 (Sept. 14, 2023).²

Even if they were “new evidence”, striking Exhibits 2036 and 2037 would be inconsequential. It is in the interest of justice to admit them to have a complete record and they should be considered as a matter of official notice in any event.

IV. Conclusion

For these reasons, Petitioner's motion to strike Exhibits 2036-2037 and related arguments in PO's Sur-Reply should be denied.

Respectfully submitted,

/Matthew C Juren/
Matthew C. Juren
Reg. No. 68,233
Kelly D. Stephens
Reg. No. 49,107
Stephens Juren, PLLC
2500 Tanglewilde St., Suite 320
Houston, Texas 77063
Main: 832-344-5400
Direct: 832-990-2707
Fax: 832-476-5460
Email: mjuren@patent-lawyers.com
Email: kstephens@patent-lawyers.com
Counsel for Patent Owner

² Petitioner omits this aspect of *Samsung*, stating only that the Board “grant[ed] 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”. See Paper 29, p. 2.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, I hereby certify that on March 11, 2024, the foregoing Patent Owner's Opposition to Petitioner's Motion to Strike was served via email on the following counsel of record for Petitioner.

Eliot Williams
G. Hopkins Guy III
Jamie R. Lynn
Thomas C. Martin
Bradley S. Bowling
Andrew D. Wilson
Eliot.Williams@BakerBotts.com;
Hop.Guy@BakerBotts.com;
Jamie.Lynn@BakerBotts.com;
Tommy.Martin@bakerbotts.com;
Brad.Bowling@bakerbotts.com;
Andrew.Wilson@BakerBotts.com; and
DLDraftKingsvDiogenes@BakerBotts.com

Dated: March 11, 2024

/Matthew C Juren/
Matthew C. Juren
Reg. No. 68,233
Stephens Juren, PLLC
2500 Tanglewilde St., Suite 320
Houston, Texas 77063
Main: 832-344-5400
Direct: 832-990-2707
Fax: 832-476-5460
Email: mjuren@patent-lawyers.com
Counsel for Patent Owner

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that this paper complies with the page or type-volume limitations of 37 C.F.R. § 42.24 and the Board's prior authorization because it is 5 pages.

Dated: March 11, 2024

/Matthew C Juren/

Matthew C. Juren

Reg. No. 68,233

Stephens Juren, PLLC

2500 Tanglewilde St., Suite 320

Houston, Texas 77063

Main: 832-344-5400

Direct: 832-990-2707

Fax: 832-476-5460

Email: mjuren@patent-lawyers.com

Counsel for Patent Owner