UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,

Petitioner,

v.

BLACKHAWK NETWORK INC.,

Patent Owner.

Case No. IPR2023-01235

U.S. Patent No. 9,865,135

PATENT OWNER'S MOTION FOR PROTECTIVE ORDER AND MOTION TO SEAL

I. INTRODUCTION

Patent Owner, Blackhawk Network Inc., respectfully moves the Board to enter a protective order in the above-referenced *inter partes* review as set forth in EX2036 and, further, to seal the confidential version of Patent Owner's Preliminary Response as well as EX2004, EX2006, EX2007, EX2008, EX2010, EX2011, EX2012, EX2013, and EX2014 from the public record. Good cause exists to enter a protective order and to seal these materials, as described below.

II. BACKGROUND

This *inter partes* review seeks cancelation of claims from U.S. Patent No. 9,865,135 as obvious over prior art. *See*, *generally*, Petition, Grounds 1-2. Petitioner is an affiliate of SL Card Co. (also called "Linq3"), a company with whom Patent Owner contracted to develop a lottery product to be activated at retailer point of sale equipment using mobile phones. *See* EX2003. Patent Owner and Linq3 currently are engaged in a state court lawsuit over Linq3's breach of their Product Distribution Agreement ("PDA"). *See* EX2001, EX2002.

Patent Owner's Preliminary Response demonstrates that Linq3 and Petitioner filed this *inter partes* review with unclean hands, and, therefore, the Board should exercise discretion to deny institution. *See generally*, POPR. As part of this argument, it is necessary to describe Linq3's conduct in breaching the Product Distribution Agreement and misappropriating intellectual property that, under the Product

Distribution Agreement, should be owned by Patent Owner. Additionally, it is necessary to describe Petitioner's actions following a March 2019 acquisition in which Linq3 became a member of Petitioner's "Incomm" corporate family. *See* EX2002.0020 (Petitioner "ICI" is SL Card's licensee).

III. IDENTIFICATION OF CONFIDENTIAL INFORMATION

The confidential information consists of Patent Owner's sensitive business information that is not publicly available. Patent Owner is a developer of lottery products for many markets, including Canada and the United States. Patent Owner entered into the PDA (EX2003) with Linq3 to develop a new lottery product. During the course of its dealings with Linq3, Patent Owner made several confidential disclosures of its intellectual property, including, for example, operational details of prior Blackhawk lottery products and proposals for new lottery products. These disclosures include, but are not limited to, disclosure for a product, called "QuickTicket," and an updated version, called "QuickTicket V2," that Linq3 misappropriated, giving rise to Patent Owner's unclean hands argument.

The PDA contains provisions requiring confidential information to be protected against disclosure. EX2003.0009. The materials referenced in this motion describe Blackhawk's various disclosures of its "confidential and/or proprietary information" to Linq3, which are confidential under the PDA. The parties' correspondence also is Blackhawk's confidential information.

Below, Patent Owner summarizes the confidential business information contained in these exhibits:

Exhibit	Description of Confidential Information
EX2004	A confidential Blackhawk slide deck describing proposals for new lottery products, which Blackhawk disclosed to Linq3.
EX2006	Confidential communications between Blackhawk and Linq3 relating to intelligence on a competitor in the market for lottery products.
EX2007	Confidential communications between Blackhawk and Linq3 relating to business opportunities with a state lottery.
EX2008	Confidential communications between Blackhawk and Linq3 relating to a state lottery's rejection of a "Play at the Checkout" product that was to be developed under the Production Distribution Agreement.
EX2010	Confidential communications between Blackhawk and Linq3 relating to Blackhawk's "QuickTicket" product, already launched in Canada, and to a proposal for "QuickTicket V2."
EX2011	Confidential communications between Blackhawk and Linq3 relating to operational details of Blackhawk's "QuickTicket" product already launched in Canada.

Exhibit	Description of Confidential Information
EX2012	A confidential Blackhawk slide deck describing operational details of Blackhawk's "QuickTicket" product, already launched in Canada, and "QuickTicket V2."
EX2013	A confidential Blackhawk slide deck describing proposals for new lottery products prior to disclosure to Linq3.
EX2014	Confidential communications between Blackhawk and Linq3 relating to an amendment to the Product Distribution Agreement (EX2003), including terms of the amendment.

Table 1

This confidential information also is discussed in Patent Owner's Preliminary Response as shown in the public version, specifically, pp. 7, 12, 13, and 34.

IV. GOVERNING RULES AND PTAB GUIDANCE

Under 35 U.S.C. § 316(a)(1), the default rule is that all papers filed in an *inter partes* review are open and available for access by the public, but a party may file a concurrent motion to seal and the information at issue is sealed pending the outcome of the motion. Similarly, 37 C.F.R. § 42.14 provides:

> The record of a proceeding, including documents and things, shall be made available to the public, except as otherwise ordered. A party intending a document or thing to be sealed shall file a motion to seal concurrent with the

filing of the document or thing to be sealed. The document or thing shall be provisionally sealed on receipt of the motion and remain so pending the outcome of the decision on the motion.

"Confidential information" is protected from disclosure. 35 U.S.C. § 316(a)(7) ("The Director shall prescribe regulations -- . . . providing for protective orders governing the exchange and submission of confidential information"). In that regard, the *Office Trial Practice Guide* provides:

> The rules aim to strike a balance between the public's interest in maintaining a complete and understandable file history and the parties' interest in protecting truly sensitive information. …
>
> 2. Confidential Information: The rules identify confidential information in a manner consistent with Federal Rule of Civil Procedure 26(c)(1)(G), which provides for protective orders for trade secret or other confidential research, development, or commercial information. § 42.54.

Patent Trial and Appeal Board Consolidated Trial Practice Guide at 19 (November 2019) (herein "TPC").

V. THIS MOTION MEETS ALL REQUIREMENTS OF 37 C.F.R. §§ 42.54, 42.55

This motion meets all requirements of 37 C.F.R. §§ 42.54, 42.55, as follows:

- Patent Owner certifies that it has in good faith conferred or attempted to confer with other affected parties in an effort to resolve the dispute (37 C.F.R. §§ 42.54(a));

- This motion shows that good cause exists to issue an order to protect a party or person from disclosing confidential information (*id*.);
- Patent Owner certifies that it accepts and agrees to the Board's default protective order as set forth in EX2035, which is taken from https://www.uspto.gov/sites/default/files/documents/trial-practice-guide-update3.pdf (37 C.F.R. § 42.55(a)).

The Board finds good cause when a movant "demonstrate[s] adequately that (1) the information sought to be sealed is truly confidential, (2) a concrete harm would result upon public disclosure, (3) there exists a genuine need to rely in the trial on the specific information sought to be sealed, and (4), on balance, an interest in maintaining confidentiality outweighs the strong public interest in having an open record." *Argentum Pharms. LLC v. Alcon Rsch., Ltd.*, IPR2017-01053, Paper 27 at 4 (P.T.A.B. Jan. 19, 2018). These circumstances are met, here.

VI. GOOD CAUSE EXISTS FOR SEALING THE CONFIDENTIAL INFORMATION

On factor 1, all exhibits are confidential. Patent Owner has maintained this information in confidence since they were created.

On factors 2 and 3, the exhibits listed in Table 1 have similarities to each other for analytical purposes, as follows:

- EX2004, EX2012, and EX2013 ("category 1") contain slide decks with Blackhawk proprietary proposals for new lottery product configurations;
- EX2007, EX2008, EX2010, EX2011, and EX2014 ("category 2") relate to confidential communications between Blackhawk and Linq3 relating to their efforts to develop lottery products; and
- EX2006 ("category 3") contains confidential communications between Blackhawk and Linq3 relating to competitors in the market for lottery products.

Patent Owner explains the concrete harm that it will suffer and Patent Owner's need to rely on the confidential information with reference to these categories. At the outset, however, Patent Owner notes that the exhibits listed in Table 1 demonstrate disclosure of Blackhawk proprietary information pursuant to a confidential business relationship with Linq3 and as such they are subject to confidentiality provisions of Patent Owner's PDA. EX2003.0009.

The ***category 1*** exhibits contain descriptions of the "QuickTicket" and "QuickTicket V2" product configurations that Blackhawk developed over the years, both before it entered into the PDA and while the PDA was active. Patent Owner will suffer concrete harm (factor 2) if these exhibits were disclosed to the public because the exhibits contain confidential information regarding these product configurations that have not otherwise become public. Patent Owner has a need to rely on the information in these exhibits (factor 3) because they show the factual basis for Patent

Owner's unclean hands argument—Linq3 misappropriated modifications Blackhawk's Preexisting Intellectual Property and Petitioner is Linq3's beneficiary.

The ***category 2*** exhibits represent correspondence exchanged between Patent Owner and Linq3 over the course of their development efforts. They corroborate Patent's Owner's argument that the parties largely abandoned their efforts to develop a product as described in the PDA in favor of a product based on Blackhawk Preexisting Intellectual Property. Patent Owner will suffer concrete harm (factor 2) if these exhibits were disclosed to the public since they reveal Patent Owner's business practices. Patent Owner has a need to rely on the information in these exhibits (factor 3) because they also show the factual bases for Patent Owner's unclean hands argument.

The ***category 3*** exhibits also represent correspondence exchanged between Patent Owner and Linq3 over the course of their development efforts which relate to information developed by the parties on competitors in the lottery products market. They also corroborate Patent's Owner's argument that the parties largely abandoned their efforts to develop a product as described in the Product Distribution Agreement in favor of a product based on Blackhawk Preexisting Intellectual Property. Patent Owner will suffer concrete harm (factor 2) if these exhibits were disclosed to the public since they also reveal Patent Owner's business practices. Patent Owner has a need to

rely on the information in these exhibits (factor 3) because they also show the factual bases for Patent Owner's unclean hands argument.

On factor 4, striking a proper balance, it is proper to seal the exhibits listed in Table 1 in their entirety. The exhibits all contain confidential material that, to Patent Owner's knowledge, have not become public through other means. Portions of certain exhibits have become public as described in EX2034. The public version of Patent Owner's Preliminary Response retains the material that has become public. Moreover, although certain portions of Patent Owner's Preliminary Response have been redacted in the public version, the public version contains a sufficient factual account of Patent Owner's unclean hands argument to inform the public of the basis for Patent Owner's argument even when exhibits listed in Table 1 are sealed in their entirety.

Good cause also exists to accept Patent Owner's Preliminary Response under seal because the Preliminary Response contains confidential information excerpted from the exhibits listed in Table 1. Patent Owner has filed herewith a redacted version of the Preliminary Response for the public record, which provides a sufficient description of the factual bases for Patent Owner's unclean hands argument.

Patent Owner met and conferred with Petitioner. Petitioner advises it does not oppose entry of a protective order in conformance with the PTAB Consolidated Trial Practice Guide. Petitioner reserves its rights to oppose the motion for seal until after its review of Patent Owner's filings, which are being made today.

VII. CONCLUSION

For the reasons set forth above, Patent Owner respectfully requests the Board grant this Motion for Protective Order and Motion to Seal.

Respectfully submitted,

Date: November 16, 2023

By: /*Robert L. Hails*/
Robert L. Hails
Reg. No. 39,702

Counsel for Patent Owner

BAKER & HOSTETLER LLP
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

Telephone: 202-861-1500
Facsimile: 202-861-1783

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing Patent Owner's Motion for Protective Order and Motion to Seal was served electronically via email on November 16, 2023, in its entirety on the following:

James M. Glass (Reg. No. 46729)
jimglass@quinnemanuel.com
QUINN EMANUEL URQUHART
& SULLIVAN, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Tel: (212) 849-7000
Fax: (212) 849-7100

Quincy Lu (Reg. No 76,954)
quincylu@quinnemanuel.com
QUINN EMANUEL URQUHART
& SULLIVAN, LLP
1109 First Avenue, Suite 210
Seattle, WA 98101
Tel: (206) 905-7000
Fax: (206) 905-7100

Petitioner consented to electronic service by e-mail.

Date: November 16, 2023

By: */Robert L. Hails/*
Robert L. Hails
Reg. No. 39,702

Counsel for Patent Owner