

IN THE 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

PETITIONER'S REPLY

TABLE OF CONTENTS

I.	Introduction	5
II.	Claim Construction.....	6
A.	“Pre-Printed Lottery Ticket”	6
1.	Legal Principles of Prosecution Disclaimer.....	6
2.	The Applicant Did Not Make a Clear and Unmistakable Disclaimer	8
3.	PO’s Inconsistent Positions Across Different Patents and Different Forums	12
4.	PO’s Construction Also Adds New Limitations and Renders Claims Indefinite.....	15
5.	PO is Estopped From Arguing Prosecution Disclaimer	17
B.	“Product Information”	20
III.	Ground 1: Szrek Alone Renders the claims unpatentable even under PO’s proposed constructions.....	24
A.	Szrek Discloses a “Pre-Printed Lottery Ticket” Under PO’s Construction	24
B.	Szrek Discloses “Product Information” Under PO’s Construction	26
IV.	Ground 2: Llach in view of Szrek	30
A.	Llach in view of Szrek Renders Obvious a “Product Information” Under PO’s Construction.....	30

EXHIBIT LIST

Ex.	Description
1001	U.S. Patent No. 9,865,135 (“135 patent”)
1002	File History for U.S. Patent No. 9,865,135
1003	Declaration of Michael Hutton
1004	<i>Curriculum Vitae</i> of Michael Hutton
1005	U.S. Patent No 7,627,497 (Szrek)
1006	U.S. Pat. Pub. No. 2013/0441768 (Llach)
1007	<i>Interactive Communications International, Inc., v. Blackhawk Network Inc.</i> , PGR2020-00084, Paper 2 (Petition for Post-Grant Review of U.S. Patent 10,769,894)
1008	<i>Interactive Communications International, Inc., v. Blackhawk Network Inc.</i> , PGR2020-00084, Paper 47 (Final Written Decision)
1009	<i>Blackhawk Network, Inc. v. Interactive Communications International, Inc.</i> , 2022-1650, Dkt. 43 (Fed. Cir. June 7, 2023)
1010	U.S. Patent No. 5,511,114 (Stimson-I)
1011	U.S. Patent No. 5,577,109 (Stimson-II)
1012	U.S. Patent No. 5,777,305 (Smith-I)
1013	U.S. Patent No. 6,000,608 (Dorf)
1014	U.S. Patent No. 6,454,165 (Dawson)
1015	U.S. Patent Publication No. WO 01/059597 (Tidball)
1016	U.S. Patent No. 7,024,807 (Street)
1017	U.S. Patent No. 8,706,630 (Graves)
1018	U.S. Patent No. 7,093,761 (Smith-II)

1019	U.S. Patent No. 7,344,067 (Beck)
1020	U.S. Patent No. 8,083,133 (Seifert)
1021	U.S. Patent Publication No. US 2010/0051691 (Brooks)
1022	U.S. Patent No. 8,862,504 (Sobek)
1023	U.S. Patent No. 8,424,758 (Esslinger)
1024	U.S. Patent Publication No. 2004/0193464 (Szrek Publication)
1025	U.S. Patent No. 10,296,895 (Llach)
1026	U.S. Patent No. 6,899,621 (Behm)
1027	U.S. Patent No. 6,267,670 (Walker)
1028	U.S. Patent Publication No. 2009/0163263 (Herndon)
1029	U.S. Patent Publication No. 2005/0233797 (Gilmore)
1030	Intentionally Left Blank
1031	Intentionally Left Blank
1032	<i>Interactive Communications International, Inc., v. Blackhawk Network Inc.</i> , PGR2020-00084, Paper 30 (Petitioner's Reply to Patent Owner's Response)
1033	File History for U.S. Patent No. 10,769,894
1034	U.S. Patent No. 10,769,894
1035	U.S. Patent No. 11,488,451
1036	Blackhawk Network, Inc.'s First Supplemental Answers to Defendant SL Card Company, Inc.'s First Set of Nonuniform Interrogatories to Blackhawk Network, Inc., <i>Blackhawk network, Inc. v. SL Card Company Inc.</i> , CV2022-051638 (Ariz. Sup. Ct.)
1037	Supplemental Expert Witness Report of Timothy Newholm

1038	Supplemental Declaration of Michael Hutton
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I. INTRODUCTION

PO's response hinges on the construction of two terms: (1) "pre-printed lottery ticket" and (2) "product information." For both, PO departs from the terms' plain meaning and the specification in an attempt to distinguish the prior art. The Board should decline to adopt PO's constructions.

For "pre-printed lottery ticket," PO argues that the applicant disavowed claim scope during prosecution. But applicant's ambiguous statements do not rise to the "clear and unmistakable" disclaimer required by the Federal Circuit, especially one that excludes multiple embodiments of the specification, adds new limitations, and renders claims indefinite. Moreover, a disclaimer would extend to the '135 patent's child patents, and yet PO (through the same prosecuting attorney) applied for claims in several child patents that are facially inconsistent with the disclaimer, and the same examiner allowed them. The alleged disclaimer would also be wholly at odds with PO's litigation positions. Such actions do not indicate a clear, unmistakable disclaimer, and in any case, PO is estopped from arguing disclaimer.

For "product information," PO's construction that it must be "separate and distinct" from certain other information is not consistent with the specification's teachings that describe multiple pieces of information being derived from a single barcode. PO's construction further requires separation from "wager information," a term that is not present in the claims.

Even under PO's constructions, the grounds render the claims unpatentable.

II. CLAIM CONSTRUCTION

A. "Pre-Printed Lottery Ticket"

PO construes "pre-printed lottery ticket" as: "a lottery ticket which has **no lottery numbers** associated with it at the time of customer purchase." POR 20 (emphasis added). PO concedes this is not the plain meaning and would exclude at least one embodiment in the specification. POR 21 n.2. PO argues that the applicant disavowed claim scope during prosecution of the '135 patent. *Id.* But the statement on which PO relies falls far short of the requirements to be a disclaimer, as it lacks any indication that it should exclude **multiple**, if not **all**, embodiments from the specification. Moreover, both in prosecuting child applications and in the Arizona litigation, PO interpreted "pre-printed lottery ticket" to include tickets with pre-printed lottery numbers. PO's own actions therefore clearly show the disclaimer was not unmistakable.

1. Legal Principles of Prosecution Disclaimer

A disavowal of claim scope or prosecution disclaimer must be "clear and unmistakable." *Abbott Laboratories v. Sandoz, Inc.*, 566 F.3d 1282, 1289 (Fed. Cir. 2009). A finding of disclaimer is a "**demanding** standard" and a "high one." *Avid Technology, Inc. v. Harmonic, Inc.*, 812 F.3d 1040, 1045 (Fed. Cir. 2016). Thus, if an applicant's statements are "**amenable to multiple reasonable interpretations**, they cannot be deemed clear and unmistakable." *3M Innovative Properties Co. v.*

Tredegar Corp., 725 F.3d 1315, 1326 (Fed. Cir. 2013). To disclaim embodiments from the specification, there should be an “indication that the claims should be read to exclude [them].” *Quest Integrity USA, LLC v. Cokebusters USA Inc.*, 924 F.3d 1220, 1229-30 (Fed. Cir. 2019).

If a disclaimer in a parent application is found, then the disclaimer “carries forward into the construction of the same claim term in the child.” *Cordis Corp. v. Boston Scientific Corp.*, 658 F.3d 1347, 1356 n.5 (Fed. Cir. 2011). In the Arizona litigation, in response to the very same disclaimer issue raised here, PO argues that a disclaimer does not apply to a child application, citing to cases that discuss the disclosure-dedication rule. *Ex. 1037*, ¶¶7-8; *Eli Lilly & Co. v. Hospira, Inc.*, 933 F.3d 1320, 1334 (Fed. Cir. 2019); *Johnson & Johnston Assocs. Inc. v. R.E. Service Co., Inc.*, 285 F.3d 1046, 1055 (Fed. Cir. 2002). However, the principle that unclaimed disclosures can be reclaimed in a child application is not pertinent to the principles underlying prosecution disclaimer—which is about public reliance on statements made to distinguish prior art. Specifically, a patentee “cannot acquiesce to a rejection and to an agreed alternative, and now years later shift his stance ... [because] [o]ther players in the marketplace are entitled to rely on the record made in the Patent Office in determining the meaning and scope of the patent.” *Lemelson v. General Mills, Inc.*, 968 F.2d 1202, 1207-08 (Fed. Cir. 1992). Prosecution disclaimer serves “[t]he public notice function of patents” to avoid “unfair[ness] to

the public ... which was entitled to rely on the surrender of claimed subject matter.”

Pall Corp. v. PTI Technologies Inc., 259 F.3d 1383, 1393 (Fed. Cir. 2001).

Attempting to reclaim disclaimed subject matter in a child application, as PO argues it did, violates these principles of public notice and reliance.

2. The Applicant Did Not Make a Clear and Unmistakable Disclaimer

The applicant did not make a “clear and unmistakable” disclaimer.

PO claims that during prosecution, the applicant defined “a ‘pre-printed lottery ticket’” as one that “has no lottery numbers associated with it at the time of customer purchase” in order to distinguish the Yacenda reference. POR 21-22. However, that is **not** what applicant argued—which is clear when the statement is not divorced from the context that precedes it. Specifically, applicant distinguished Yacenda because it “does not disclose a pre-printed lottery ticket comprising unique identification information” and instead “allows the customer to select the numbers it wishes to play – i.e., not a pre-printed lottery ticket.” Ex. 1002, 75-76. The applicant then quoted Yacenda at length, emphasizing that it discloses that “**a lottery player enters ... ticket information**” which “**includes ... numbers of the lottery tickets,**” and then the terminal “display[s] virtual lottery tickets ... **including ticket numbers selected by the player.**” *Id.* (emphasis by applicant). In other words, applicant distinguished Yacenda because it does not disclose any **pre-printing** of a ticket, but instead discloses **virtual** tickets with player selections. Notably, pre-

printed tickets with pre-printed numbers would also distinguish Yacenda, since they do not allow a player to select lottery numbers in a terminal.

The applicant's statement that "the instant claims require a 'pre-printed lottery ticket' which has no lottery numbers associated with it at the time of customer purchase" is therefore not a lexicographical definition of pre-printed lottery ticket, but is best understood as an exemplary "pre-printed lottery ticket" distinguishable from the lack of **any** pre-printing in Yacenda—*i.e.* a ticket which **can** "ha[ve] no lottery numbers" not one that **must** "ha[ve] no lottery numbers." Ex. 1002, 76-77; Ex. 1038, ¶¶6-10.

Applicant also stated that the "[s]pecification defines the 'pre-printed lottery ticket'" as "not hav[ing] a ... wager (i.e. lottery numbers) assigned or associated to the pre-printed ticket." Ex. 1002, 12-13 (quoting Ex. 1001, 2:65-3:1). Yet the specification is clear that the quoted statement does not meet the high standard of a lexicographical definition. *Azure Networks, LLC v. CSR PLC*, 771 F.3d 1336, 1349 (Fed. Cir. 2014) ("The lexicography must appear with **reasonable clarity, deliberateness, and precision.**"). Instead, the reference is just one example of a pre-printed lottery ticket, with numerous other examples throughout the specification of pre-printed tickets having lottery numbers, as discussed above. Ex. 1001, 10:7-10, 6:67-7:3, 7:28-33, 7:48-51, 9:4-8, 9:45-49, Fig. 9. Again, applicant's statement is best understood as an example of a pre-printed (as opposed to virtual) lottery ticket

—otherwise, applicant misrepresented its own application to the Office. At the very least, applicant's statements are "amenable to multiple reasonable interpretations" and therefore are not a "clear and unmistakable" disclaimer. *Avid Technology*.

Indeed, the overbreadth of PO's proposed disclaimer is manifest in that it would exclude **all** of the embodiments in the specification. This demonstrates the impropriety of PO's proposed disclaimer in two ways. *First*, the Federal Circuit **requires** that any disclaimer of **any** embodiment be express, yet nothing about the statements "in any way suggest[s]" or is an "indication that the claims should be read to exclude [the specification's embodiments]." *Quest Integrity*, 924 F.3d at 1229-30. *Second*, PO cites to no support that a disclaimer could even exclude all embodiments of a specification.

PO concedes that its disclaimer would exclude the embodiment depicted in Figure 9, where a pre-printed lottery has "wager information 914 ... which may be printed on the ticket" before purchase. POR 21 n.2; Ex. 1001, 10:7-10, Fig. 9 (annotated below).



But in fact the disclaimer would exclude *all* embodiments, because *all five embodiments* detailing the purchase of a pre-printed lottery ticket describe the possibility that “the wager information is ... *already associated with the ticket information*” at time of purchase, thus foregoing the need to “determine[] ... wager information.” *Id.*, 6:67-7:3, 7:28-33, 7:48-51, 9:4-8, 9:45-49; Ex. 1038, ¶¶11-13.

Additionally, for all of the embodiments, the specification only describes associating lottery numbers with the ticket by the time it is *scanned*, which happens *before* the time of purchase. For example, when a ticket is scanned (302), the system “*determines draw and wager information* (306),” only after which “payment may be made (310), for example using cash[,], credit or debit” and the system “communicate[s] the payment confirmation (312)” for activation. *Id.*, 6:64-7:9. Indeed, the patent clearly states that “determination of the ... wager information [*i.e.*

lottery numbers]... is **not dependent** on the receiving of payment by the POS.” *Id.*, 7:41-44. Yet if payment is never received, the ticket cannot be said to be purchased. Ex. 1038, ¶12.

Thus, PO has not established a “clear and unmistakable” disclaimer with any indication that it excludes **all** embodiments, nor has it cited to any authority that such a disclaimer is possible. Indeed, applicant’s reliance on the specification indicates that applicant wanted the examiner to consider the meaning of “pre-printed lottery ticket” in view of the specification’s teachings—the precise opposite of disclaiming all embodiments from the specification. And Patent Owner’s proposed construction is untenable in view of the specification.

Moreover, by excluding **all** embodiments from coverage of the claims, PO proposes a definition for the term that would strip the terms of written description support, rendering the claims unpatentable.

3. PO’s Inconsistent Positions Across Different Patents and Different Forums

PO’s attempt to narrowly construe “pre-printed lottery ticket” via disclaimer is at complete odds with PO’s treatment of the term everywhere else—such as in child patent applications and in the Arizona litigation. In essence, PO seeks to narrow the term “pre-printed lottery ticket” here to avoid unpatentability, while broadening it elsewhere when it suits PO’s purposes. Yet a disclaimer “carries forward” to the same term in a child application, and a patent owner cannot

impermissibly reclaim disclaimed scope. *Cordis Corp.*, 658 F.3d at 1356 n.5; *see also Omega Engineering, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1334 (Fed. Cir. 2003) (“[T]he same claim term in ... related patents carries the same construed meaning.”). Thus, the prosecution statements cannot be a “clear and unmistakable” disclaimer given PO’s inconsistent positions elsewhere.

In child applications of the ’135 patent, PO sought claims that recite “pre-printed lottery tickets” associated with lottery numbers “prior to the time the pre-printed lottery ticket is purchase,” which is facially inconsistent with PO’s position here. Ex. 1034, cl. 21; Ex. 1035, cl. 12. These applications were examined by the same examiner (Exs. 1001, 1034, 1035), and prosecuted by the same attorney, thereby indicating that neither considered the statements during prosecution of the ’135 patent to be a disclaimer. Indeed, during prosecution of Application No. 15/833,566, which became the ’894 patent (Ex. 1034), applicant represented to the Office when adding the claim that “no new matter is introduced by way of this amendment.” Ex. 1033, 272, 277. Assuming that applicant prosecuted the ’894 patent in good faith, as we must, such statements are not consistent with a disclaimer in the parent application.

PO’s inconsistent treatment of the term is also deployed to gain a litigation advantage. As discussed in the preliminary briefing, PO sued Petitioner in Arizona state court for breach of contract claims. In the Arizona litigation, PO alleged,

including through its experts, that the '135 patent discloses and relates to a system which uses pre-printed tickets with pre-printed numbers. This is inconsistent with PO's proposed construction in this proceeding and is further evidence that PO did not make a "clear and unmistakable" disclaimer.

In particular, PO's complaint in the Arizona litigation alleges that "[t]he '135 patent and the '894 patent each describe an example of a QuickTicket™ V2, with the lottery number *pre-printed on the lottery ticket.*" Ex. 2001, ¶21; ¶8 ("Blackhawk's patents disclose an embodiment of QuickTicket™ (known as 'QuickTicket™ V2'), which allows the *lottery numbers to be pre-printed on the ticket ...*"). PO's allegations of breach of contract rest on the notion that PO has "Intellectual Property" rights, as defined in the contract, in pre-printed lottery tickets with numbers pre-printed on the ticket based on the embodiments in the specification of the '135 patent that Blackhawk now asserts were disavowed in the '135 patent. *Id.*, ¶¶24-25, 28-29, 76-82.

PO has also alleged that the "technology related to QuickTicket V2" (the commercial name for pre-printed tickets with pre-printed numbers) "includes: 'patents'" such as "U.S. Patent No. 9,865,135." Ex. 1036, 13; *id.*, 35 ("Blackhawk identifies the following types of 'Intellectual Property' and 'Preexisting Intellectual Property' *related to* the technology of QuickTicket V2: ... U.S. Patent No. 9,865,135"). PO even attempted to use these allegations as a cudgel to dismiss this

very proceeding, arguing that QuickTicket V2 is PO's intellectual property because "[t]he '135 Patent ... discloses ... the QuickTicket V2 product" which "contains lottery numbers preprinted on the lottery ticket before the time of purchase." POPR 17, 34-36.

PO's allegations that QuickTicket V2 (*i.e.*, pre-printed ticket with pre-printed numbers) is Blackhawk's intellectual property derived from the '135 patent undermines its assertion of disclaimer. For PO's litigation allegations to be true, the '135 patent's claims recitation of "pre-printed lottery ticket" would have to include pre-printed lottery tickets with pre-printed numbers—for it is a patent's "claims [which] delineate the patentee's right to exclude." *Halliburton Energy Servs., Inc. v. M-I LLC*, 514 F.3d 1244, 1249 (Fed. Cir. 2008).

Thus, PO seeks a narrow construction of "pre-printed lottery ticket" here via disclaimer and yet *everywhere else* applies a broader construction to gain an advantage. This indicates that there is no "clear and unmistakable" disclaimer and instead.

4. PO's Construction Also Adds New Limitations and Renders Claims Indefinite

An additional reason that the prosecution statements are not a "clear and unmistakable" disclaimer is the fact that PO's construction would add new limitations to the claims and render at least one claim indefinite. PO does not cite to any authority that allows a disclaimer under such circumstances.

Under PO's construction, lottery numbers cannot be pre-generated and therefore, they would have to be generated as a part of the claimed methods—for without lottery numbers, there can be no provision of a “lottery ticket for a random draw” as claimed.

It would appear that under PO's construction, the lottery administration system generates the lottery numbers and transmits them back to the POS terminal as part of the claimed “draw details.” This, however, adds an additional limitation to the claimed “draw details.” Moreover, this construction would render claim 4 indefinite, because it recites “determining at the lottery administration system draw information” and “associating ... the ... draw information with the [ticket]'s unique identification information” **prior** to “receiving ... payment confirmation.” In other words, claim 4 generates draw details (such as lottery numbers) **before** purchase. Claim 4's order of steps is not possible with PO's construction—rendering the claim indefinite.

Moreover, as discussed below, because of the alleged disclaimer, PO construes the claimed “product information” as “separate and distinct from wager information,” even though “wager information” (*e.g.* lottery numbers) is not a term that is recited in any of the claims. POR 24-25. This adds an additional limitation to the claims.

As a result, PO's argument requires interpreting a couple of ambiguous statements as a "clear and unmistakable" disclaimer that (i) excludes all embodiments of the claims, (ii) adds multiple limitations, (iii) renders at least one claim indefinite, and (iv) is inconsistent with the child applications and PO's litigation positions. The far more reasonable interpretation that avoids all of these issues is that the statements were simply examples from the specification and not a disavowal of claim scope.

5. PO is Estopped From Arguing Prosecution Disclaimer

PO's inconsistent treatment of the term requires that PO be estopped under both 37 C.F.R. § 42.73(d)(3) and judicial estoppel from arguing prosecution disclaimer.

(a) Estoppel Under 37 C.F.R. § 42.73

Under 37 C.F.R. § 42.73(d)(3), a patent owner "is precluded from taking action inconsistent with an adverse judgment" issued by the Board. Here, in arguing prosecution disclaimer such that Szrek does not disclose a "pre-printed lottery ticket" (POR 28), PO is taking an action inconsistent with the Board's judgment in PGR2020-00084 where the Board held that Szrek does disclose a "pre-printed lottery ticket." In particular, the Board acknowledged that Szrek discloses "pre-printed ticket 300 ... which includes valid draw identifier 460, such as the *draw*

number and draw time, which is associated with original pre-printed ticket identifier,” *i.e.* a ticket with pre-printed numbers. Ex. 1008, 34, 40.

PO’s argument of prosecution disclaimer such that Szrek does not disclose a “pre-printed lottery ticket” under this narrower scope, is inconsistent with the Board’s holding in PGR2020-00084. If PO is correct that the applicant disclaimed pre-printed lottery numbers from the scope of a “pre-printed lottery ticket,” then that disclaimer must apply to the ’894 patent as well. *Cordis Corp.*, 658 F.3d at 1356 n.5. PO is therefore estopped from making this inconsistent argument.

(b) Judicial Estoppel

The Board should also hold that PO is judicially estopped from arguing prosecution disclaimer because PO has taken inconsistent positions during prosecution to gain an unfair advantage.

Judicial estoppel “is an equitable doctrine that prevents a litigant from taking a litigation position inconsistent with one successfully asserted in an earlier court proceeding.” *Egenera, Inc. v. Cisco Systems, Inc.*, 972 F.3d 1367, 1378 (Fed. Cir. 2020). The Board and Federal Circuit have held that judicial estoppel applies to agency proceedings like IPRs. *Sonos, Inc. v. Implicit, LLC*, IPR2018-00766, Paper 67 (Sept. 19, 2023); *Trustees in Bankr. of NA Rubber Thread Co., Inc. v. U.S.*, 593 F.3d 1346, 1354 (Fed. Cir. 2010).

Judicial estoppel applies against a party when: (1) the party takes a later position that is “clearly inconsistent” with its earlier position, (2) the party succeeded in persuading a court or agency to adopt the earlier position, thereby posing a risk in inconsistent determinations, and (3) the party would derive an unfair advantage or impose an unfair detriment on the opposing party if not estopped. *Transclean Corp. v. Jiffy Lube Intern., Inc.*, 474 F.3d 1298, 1307 (Fed. Cir. 2007); *Sonos*, IPR2018-00766, Paper 67 at 11. All three factors are met here.

First, as discussed above, PO's position here is “clearly inconsistent” with its prosecution of the '894 and '451 patents, seeking claims facially inconsistent with PO's construction. Ex. 1034, cl.21; Ex. 1035, cl. 12. PO's contention that there is a disclaimer for the term “pre-printed lottery ticket” is inconsistent with its representations to the Board it was not adding new matter when it added the claims that reclaimed the disavowed scope.

Second, PO successfully persuaded the examiner to adopt its earlier position with respect to the '894 and '451 patents, because the examiner allowed claims in those patents that recite a pre-printed lottery with number associated with it prior to purchase.

Third, if PO is not estopped, PO would have an unfair advantage. Specifically, PO would be able to argue here that the '135 patent has a narrower scope, possibly surviving this patentability challenge, while using the broader scope

of the '451 and the '894 patent against Petitioner. Indeed, PO has taken the position in the Arizona litigation that its purported disclaimer for the '135 patent does not apply to the '451 and '894 patents or any future claim from any “yet-to-be filed, descendent application,” a clear attempt to gain an unfair advantage against Petitioner's affiliates. Ex. 1037, ¶15.

B. “Product Information”

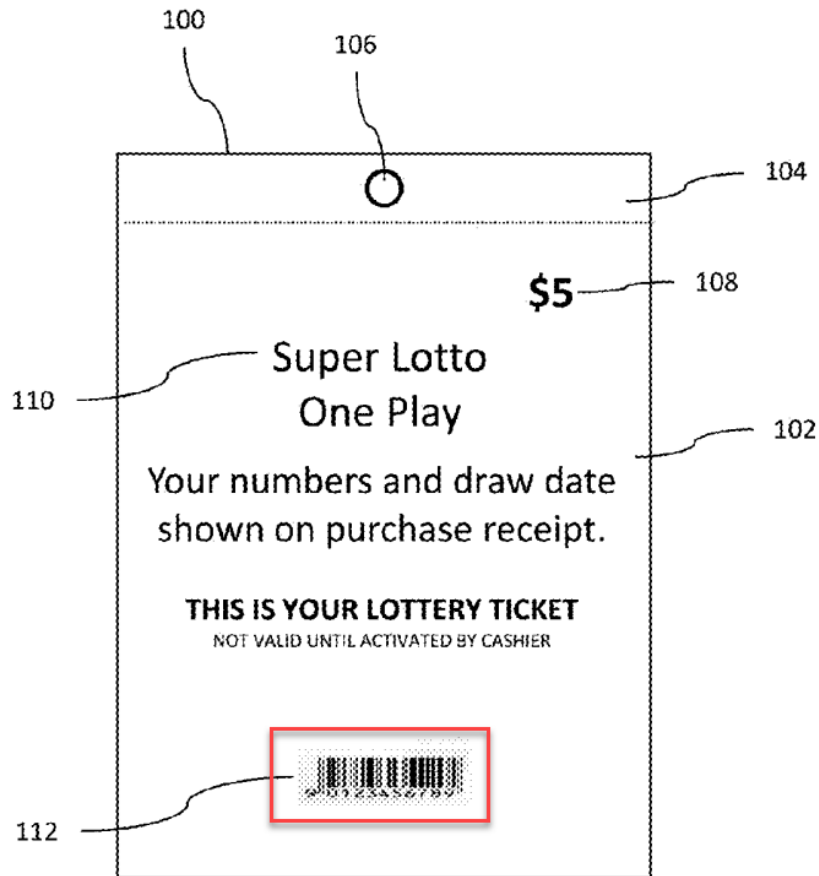
PO argues that “product information” means “information that identifies a product but is separate and distinct from wager information and unique identification information.” POR 24-25. This departs from the plain meaning and the specification.

As an initial matter, it should be noted exactly what PO means by the product information being “separate and distinct” from other information. PO argues that information from Szrek's barcode, which includes “ticket identifier 330,” “product type,” “bet combination,” and a “sequence counter,” cannot be “product information” (Ex. 1005, 6:11-13, 7:21-31), because they are not “separate and distinct” from the unique identification information. Thus, PO's construction would require that the “production information” cannot be combined with other information and transmitted. This interpretation is wrong.

First, the claims do not recite “wager information,” and thus PO’s construction would improperly *add* limitations. As discussed above, distinct “wager information” stems from incorrect PO’s disclaimer argument.

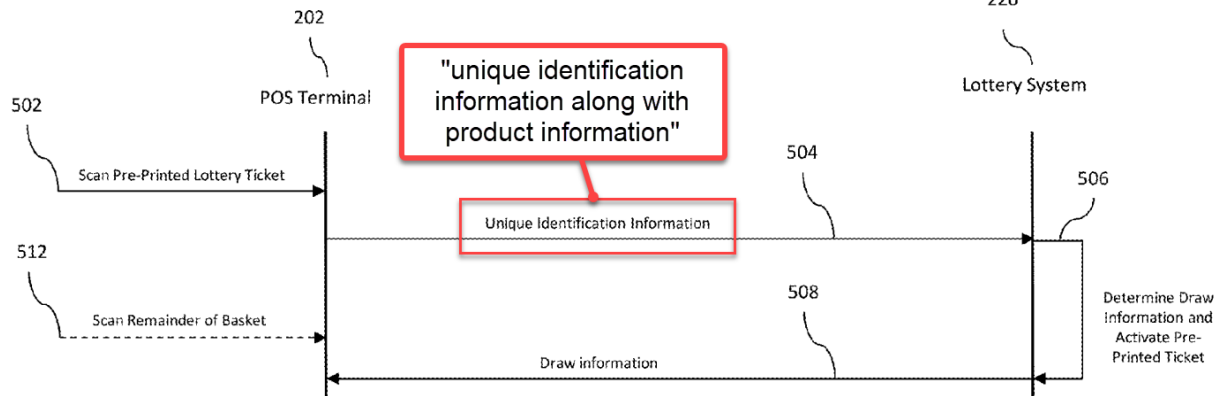
While different claim elements are presumptively distinct, that does not preclude them from being combined and transmitted. Moreover, this presumption is rebutted by the specification, as explained below. *Kyocera Senco Industrial v. ITC*, 22 F.4th 1369, 1382 (Fed. Cir. 2022).

Second, the specification discloses that both product information and unique identifying information are embedded in a single “barcode 112,” which is a series of numbers. Ex. 1001, 3:1-5 (“The pre-printed tickets would each have a unique bar code that identifies the particular pre-printed ticket and would also have a Universal Product Code bar code that would identify the lottery product. ***One bar code may contain both pieces of information.***”); 5:56-61 (“[B]arcode information 112 ... will contain the Ticket Unique Identifier, Universal Product Code and may contain price information.”); Fig. 1.



This is *precisely the same* as what Szrek discloses—and what PO attempts to exclude with its construction. Ex. 1005, 6:11-13 (“The fixed part of the barcode should indicate the product type; the variable part of the barcode should contain ticket identifier 330.”); 7:18-31; Ex. 1038, ¶¶21-22.

Furthermore, Figure 5 (annotated below) depicts transmitting “unique identification information,” which is described as transmitting “unique identification information *along with product information*,” indicating they are not separate and distinct. *Id.*, 7:45-47; Ex. 1038, ¶23.



PO's requirement that "Product information" is "information that identifies a product" also lacks support in the specification. Ex. 1038, ¶24. The specification says product information includes "cost" of the ticket or "game information," neither of which identify a product. Ex. 1001, 5:53-61, 10:10-14.

Third, the claims of child '894 patent, which also recite "product information," are not consistent with PO's construction. *Omega Engineering*, 334 F.3d at 1334 ("[T]he same claim term in ... related patents carries the same construed meaning."). Specifically, claim 14 of the '894 patent expressly recites that product information **contains** wager information such as "a wager amount" and "a number of wagers." In addition, claim 15 recites "retrieving unique identification information ... **from the received product information.**" These claims indicate the product information need not be separate and distinct. Ex. 1038, ¶20.

Finally, the Board in PGR2020-00084 held that Szrek's ticket identifier is both product information and unique identifying information. Ex. 1008, 46, 56. PO is estopped from arguing otherwise. 37 C.F.R. § 42.73(d)(3).

III. GROUND 1: SZREK ALONE RENDERS THE CLAIMS UNPATENTABLE EVEN UNDER PO'S PROPOSED CONSTRUCTIONS

A. Szrek Discloses a “Pre-Printed Lottery Ticket” Under PO's Construction

Szrek discloses or renders obvious a “pre-printed lottery ticket” even under PO's flawed construction of “a lottery ticket which has no lottery numbers associated with it at the time of customer purchase.”

It is undisputed that Szrek discloses a “preprinted” ticket, which Szrek defines as “printed ahead of the ticket sale.” Ex. 1005, 3:25-28. While Szrek generally describes that the pre-printed ticket contains pre-printed lottery numbers (*id.*, 3:29-34), Szrek also discloses embodiments where it does not.

Szrek discloses that the lottery numbers can be generated during pre-printing by the game provider “agree[ing] with commercial printer 140” on a number-generating algorithm. Ex. 1005, 7:15-18. However, Szrek also discloses an alternative embodiment where the game provider instead merely “issues a processing request for preprinted ticket 300,” *i.e.* with no indication that the lottery number is included with the ticket identifier. *Id.*, 7:13-15. In addition, Szrek discloses the inclusion of lottery numbers with the pre-printed ticket in **permissive** but not mandatory language. *Id.*, 3:29-31 (“The ticket **can be** preprinted according to player's selection, his favorite bet, or as a computer generated selections (quick pick).”); 7:21-22 (“ticket identifier 330 **could** correspond to the bet combination 350

chosen by the players”); 7:26-27 (“[T]he game provider *may* learn bet combination from the ticket identifier and authorize this bet.”).

Moreover, it would have been obvious in view of the knowledge of a POSITA to use a pre-printed ticket without lottery numbers with Szrek's system. As discussed in the Petition and by Petitioner's expert, Mr. Hutton, pre-printed lottery tickets were well-known in the industry, including those without lottery numbers associated with them. For example, the Petition and Mr. Hutton discuss a 2005 patent application (“Gilmore”) (Ex. 1029) that describes “a pre-printed lottery ticket ... scanned at a POS terminal,” where the scan data is sent to a “lottery system controller 12” which “generates quick pick lottery numbers” or the “controller 12 sends a quick pick request to the lottery system where the numbers are generated.” Ex. 1003, ¶71 (citing Ex. 1029); Pet. 7-8. PO does not dispute that pre-printed lottery tickets without assigned lottery numbers were known and used in the industry a decade before the '135 patent was filed.

In view of this knowledge, a POSITA would have found it obvious for Szrek to support generating lottery numbers at time of purchase, whether at the cash register or the game provider. Mr. Hutton provides several reasons, including to “distribute the generation of numbers,” “reduce the need for a kiosk to print quick picks,” “minimize the in lane wait time,” and allow customers to pick any “possible combination[] of the current draw.” Ex. 1038, ¶¶14-16. The Board in PGR2020-

00084 credited similar motivations in finding it obvious to combine Szrek with generating numbers at time of purchase. Ex. 1008, 66-67; Ex. 1038, ¶18.

A POSITA would have had a reasonable expectation of success, since Szrek already discloses support for “quick pick” (Ex. 1005, 3:31) and generating numbers would simply need to be deferred to, which was a generally-known and ubiquitous process by the time of the '135 patent. Ex. 1003, ¶¶71, 106; Ex. 1009, ¶63; Ex. 1038, ¶17.

B. Szrek Discloses “Product Information” Under PO’s Construction

Szrek discloses or renders obvious “product information” even under PO’s flawed construction of “information that identifies a product but is separate and distinct from wager information and unique identification information.”

As discussed in the Petition, Szrek discloses that the pre-printed ticket contains a barcode that is made up of separate and distinct parts, where one “fixed part ... indicate[s] the product type” (*i.e. information that identifies a product*) and another “variable part ... contain[s] ticket identifier 330” (*i.e. unique identification information*). Ex. 1005, 6:11-13. In addition, Szrek also discloses that the ticket identifier is split up into separate and distinct parts, where one “part ... contain[s] ... issued tickets sequence counter,” *i.e. information that identifies a product*, and the other, separate part constituting the rest of the ticket identifier being the *unique identification information*. Szrek also discloses that a part of the “ticket identifier”

indicates “what transaction is activated,” *i.e.* the lottery product type, such as “lotto.” *Id.*, 3:47-50. Thus, Szrek discloses that product information is separate and distinct from the unique identification information and wager information. Ex. 1038, ¶¶25-27.

These disclosures in Szrek are consistent with the '135 patent's disclosures of a single bar code which contains both product information and unique identifying information. Ex. 1001, 3:1-5; *id.* 5:56-61.

PO argues that Szrek's “sequence counter” is not “product information” because it is “unique identification information.” POR 40-41. However, nothing precludes the “sequence counter” from also operating as “product information.” Ex. 1038, ¶27. This is similar to how the '135 patent describes a UPC bar code (*i.e.* **product information**) as being part of the “bar code that identifies the particular pre-printed ticket.” Ex. 1001, 3:1-5. As explained by Mr. Hutton, the sequence counter is “product information” because it is “information about the product that was purchased,” which PO does not dispute. Ex. 1003, ¶111. Regardless, as discussed above, the ticket identifier also contains “what transaction is activated,” which is indisputably “product information.” Ex. 1005, 3:47-50; Ex. 1038, ¶28.

PO also argues that product information is not transmitted to the lottery administration system. POR 41-48. However, PO concedes that “ticket identifier 330” is transmitted to the lottery administration system (POR 41), and as discussed

above, ticket identifier 330 contains both unique identification information and product information in separate parts.

PO argues that “Szrek discloses that the game provider 250 ‘sends back lottery product description [and] prices’ to a store back office” and so “it would be superfluous to send product information to Szrek’s game provider 250 because it already stores product information before the ticket is activated.” POR 40. However, Szrek discloses that the game provider needs to know the lottery product type of the ticket being activated. Ex. 1005, 3:1-5.

In addition, Szrek expressly discloses that the barcode information (which includes the product type) is sent to the lottery administration system. Ex. 1038, ¶¶29-30. Specifically, Szrek discloses that “[a]fter the barcode information has been scanned, cash register originates a transaction to the game provider requesting ticket activation.” Ex. 1001, 4:56-58. Szrek explains that “[n]ormally when a barcode 310 is scanned for any merchandise” *i.e.* when scanning regular store merchandise, not lottery tickets, “the checkout register 230 application looks up the merchandise price in database or checks the price by using some algorithmic interface,” *i.e.* the product type is used to look up the price. *Id.*, 6:31-34; Ex. 2044, 56:21-57:2 (“Normally when a bag of chips ... is scanned, the point of sale terminal looks up – reads the UPC, looks up that somehow with the infrastructure, ... then is able to ... print the price on the receipt”). Szrek distinguishes this from lottery tickets, where

instead “this request will be transformed into transactional request to the game provider 250.” *Id.*, 6:34-36. Thus, Szrek discloses that instead of the cash register using the product identifier to look up price in a local database, the product identifier in the barcode is sent to and used by the game provider (*i.e.* **lottery administration system**) to query the price in the game provider's database. Ex. 2044, 63:25-64:7 (“[The request] contains, at a minimum, the information from the barcode that was scanned off the object.”); 66:15-67:12 (“Q. Does Szrek disclose that anything else is sent to the Game Provider system 250? A. ... the UPC information, if there was a UPC on the instant ticket; in other words, additional product information.”). Szrek clearly describes the two situations as similar and analogous.

PO argues that the back office transforms the cash register's request to remove all information except the ticket identifier before transmitting to the game provider. POR 42. However, nothing in Szrek indicates that the transformation involves removing any information, and PO provides no reason why Szrek's system would do this. Moreover, PO does not address Szrek's disclosure of a cash register directly communicating with a game provider instead of through the back office (and the alleged transformation process as described by PO). Given this disclosure, it would make no sense for the back office to remove substantive information. Ex. 1001, 3:15-17 (“cash register is capable of communicating with the game provider system (***directly or indirectly***)”).

Finally, it would have been obvious to transmit the barcode, including the product type, to the game provider (*i.e. lottery administration system*), whether through the back office or not. As Mr. Hutton explains, if the cash register or back office only sends the ticket identifier, it must “know how to separate it from the barcode.” Ex. 1038, ¶31. This is less efficient and desirable than having the game provider receive the barcode information and separate the ticket identifier from the product type. *Id.* A POSITA would also expect this to succeed since the game provider already knows the barcode format. *Id.*, ¶32.

IV. GROUND 2: LLACH IN VIEW OF SZREK

As with Ground 1, PO argues that Llach in view of Szrek does not render obvious “pre-printed lottery ticket” or “product information” only as construed by PO. However, even under PO’s incorrect construction, Llach in view of Szrek renders obvious these limitations, at least for the same reasons discussed in Ground 1. But separately, the Llach-Szrek combination also renders obvious transmission of “product information.”

A. Llach in view of Szrek Renders Obvious a “Product Information” Under PO’s Construction

PO argues, relying on its arguments for Ground 1, that because Szrek only discloses transmitting a “ticket identifier,” and because said ticket identifier does not contain product information, the Llach-Szrek combination likewise does not disclose transmitting “product information.” POR 52.

But Petitioner's combination transmits more than the "ticket identifier"—it transmits all information from Szrek's lottery ticket. The combination scans from Szrek's barcode the "product type," "lottery product code," or "ticket price." POR 60 ("[T]he Llach-Szrek combination results in Llach's POS terminal scanning the barcode of Szrek's pre-printed lottery ticket to obtain ... product information from the ticket."); POR 22 (identifying product information). And in view of Llach's disclosure of transmitting "information obtained from scanning the stored value card's **barcode**," it would have been obvious to transmit "**product information obtained from scanning Szrek's pre-printed lottery ticket**," including "product type," "product code," and "ticket price." POR 61; POR 22.

In other words, PO's argument that Szrek only discloses transmitting the "ticket identifier" is inapposite to this Ground because Petitioner proposed transmitting **all** information obtained from Szrek's barcode, including "product type."

Date: August 7, 2024

Respectfully submitted,

By: /s/ James M. Glass

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**CERTIFICATE OF COMPLIANCE WITH
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1. This Petition complies with the type-volume limitation of 5,600 words, comprising 5,594 words, as counted using the Microsoft Word software that was used to prepare this paper, excluding the parts exempted by 37 C.F.R. § 42.24(a).

2. This Petition complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft® Word 2016 in 14-point Times New Roman.

Date: August 7, 2024

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The undersigned hereby certifies that on August 7, 2024, true and correct copies of the foregoing document and supporting materials were served in its entirety on the Patent Owner at the following email addresses:

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