

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

Blackhawk Network, Inc.,
an Arizona corporation,

Plaintiff,

vs.

SL Card Company Inc. d/b/a/ Linq3,
an Arizona corporation

Defendant.

No. CV 2022-051638

SUPPLEMENTAL EXPERT WITNESS REPORT OF TIMOTHY E. NEWHOLM

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I. BACKGROUND

a. Scope of Report

1. I have been retained by Plaintiff Blackhawk Network, Inc. (“Blackhawk”).
2. I previously provided reports dated August 14, 2023, and September 14, 2023.
3. I have been asked to address certain assertions made by Defendant SL Card Company, Inc. (“Linq3”) in its Seventh Supplemental Rule 26.1 Disclosure Statement (“Linq3’s Supplemental Disclosure Statement”), dated June 11, 2024.

b. Personal Background and Qualifications

4. My personal background and qualifications are detailed in my August 14, 2023 report. I continue to consider myself to be an expert in the preparation and prosecution of U.S. and foreign patents and in related client counseling.

c. Materials Considered

5. In addition to the documents considered during preparation of my August 14, 2023 report and my September 13, 2023 report, I have considered the following documents:
 - SL Card Company, Inc.’s Seventh Supplemental Rule 26.1 Disclosure Statement (“Linq3’s Supplemental Disclosure Statement”); and
 - Patent Owner’s Response, *Interactive Communications International, Inc. v. Blackhawk Network, Inc.*, No. IPR2023-01235 (PTAB May 15, 2024) (“Patent Owner’s Response”).
 - U.S. Patent No. 11,847,895 and its prosecution history;
 - U.S. Patent No. 11,995,959 and its prosecution history;
 - U.S. Patent Application Serial No. 18/212,126 and its prosecution history.
 - U.S. Patent Application Serial No. 18/383,822 and its prosecution history; and

- U.S. Patent Application Serial No. 18/434,916 (“the ‘916 Application”) and its prosecution history.

6. I reserve the right to supplement my report to address any additional disclosures, information, opinions, or testimony from Linq3.

II. DISAVOWAL

7. A patent applicant may disclaim or surrender certain scope of one or more claims of a specific patent by making a clear and unmistakable disavowal of that scope during the prosecution history.¹ However, such a disavowal does not mean that the applicant surrenders any right to pursue or obtain grant of claims of different scope in one or more descendants of that patent.² This is because a disavowal does not automatically apply to the claims of descendants of that patent.³ If the relevant claim terms are not present in a descendant’s claims, or if they are materially altered, the disavowal does not apply.⁴

8. Disavowal is distinct from public dedication of subject matter. Public dedication of subject matter occurs when subject matter is disclosed in a patent application but is never claimed in a granted patent arising directly or indirectly from that application. The failure to claim that subject matter finally, with no possibility of descendent patents, dedicates it to the

¹ *SpeedTrack, Inc. v. Amazon.com., Inc.*, 998 F.3d 1373, 1377 (Fed. Cir. 2021); *Vita-Mix Corp v. Basic Holding, Inc.*, 581 F.3d 1317, 1324 (Fed. Cir. 2009).

² A “descendant” in this regard means a continuing application, such as a continuation application or a divisional application, claiming priority directly or indirectly from the patent under consideration. For example, the ‘916 Application is a descendant of the application for the ‘135 patent.

³ *Biogen, Inc. v. Berlex Labs., Inc.*, 318 F.3d 1132, 1139 (Fed. Cir. 2003) (“[A]rguments made in a related application do not automatically apply to different claims in a separate application.”).

⁴ *Saunders Grp. v. Comfortrac, Inc.*, 492 F.3d 1326, 1333 (Fed. Cir. 2007) (“When the purported disclaimers are directed to specific claim terms that have been omitted or materially altered in subsequent applications (rather than to the invention itself), those disclaimers do not apply.”).

public, foreclosing patent protection for it.⁵ Public dedication does not occur if the subject matter is claimed in a descendent patent.⁶

III. THE PATENT OWNER’S RESPONSE

9. The Patent Owner’s Response was filed during an Inter Partes Review (“IPR”) in which Interactive Communications International, Inc. (“InComm”) is challenging the validity of the claims of one specific Blackhawk patent, namely, U.S. Patent No. 9,865,135 (“the ‘135 Patent”). Each of the challenged independent claims of the ‘135 Patent recites a “pre-printed lottery ticket.”⁷

10. During prosecution of the application for the ‘135 Patent, Blackhawk argued that “the instant claims require a ‘pre-printed lottery ticket’ which has no lottery numbers associated with it at the time of customer purchase.”⁸

11. In the Patent Owner’s Response, Blackhawk characterized this assertion in the prosecution history as a disavowal of “another embodiment” disclosed in the ‘135 Patent.⁹ In this other embodiment, “the pre-printed lottery ticket 912 is already associated with wager information 914 which may be printed on a ticket to allow selection of preferred numbers by a consumer.”¹⁰ This embodiment is discussed, for example, in relation to FIG. 9 and column 10, lines 5-20 (“The wager information does not need to be generated since it is already generated and associated with the pre-printed lottery ticket in the lottery system, for example at the time of

⁵ *Johnson & Johnston Assocs. v. R.E. Serv.*, 285 F.3d 1046, 1054 (Fed. Cir. 2002).

⁶ *Eli Lilly & Co. v. Hospira, Inc.*, 933 F.3d 1320, 1334 (Fed. Cir. 2019); *Johnson & Johnston Assocs.*, 285 F.3d at 1055 (“[A] patentee can file a separate application claiming the disclosed subject matter under 35 U.S.C. § 120 (2000) (allowing filing as a continuation application if filed before all applications in the chain issue).”).

⁷ ‘135 Patent at col. 10, l. 25, to col. 12, l. 35 (listing claims 1-6).

⁸ April 3, 2017, Amendment and Response to Office Action at 12.

⁹ Patent Owner’s Response at 21 n.2 (citing ‘135 Patent at col. 10, ll. 5-10).

¹⁰ ‘135 Patent at col. 10, ll. 5-10.

manufacture or printing.”). Thus, the Patent Owner’s Response provides that the prosecution history shows the “pre-printed lottery ticket” claimed in the ‘135 Patent does not encompass that particular embodiment.

IV. LINQ3’S ASSERTION

12. Linq3 asserts in its Supplemental Disclosure Statement that the Patent Owner’s Response purportedly relinquished “all rights” to seek patent protection for the “another embodiment,” which Linq3 equates with the QuickTicket V2 (which I will refer to as the “QuickTicket V2 Embodiment”).¹¹ Linq3 improperly conflates disavowal of claim scope with public dedication of subject matter.

13. Assuming the statements made during prosecution of the ‘135 Patent resulted in disavowal as asserted in the Patent Owner’s Response,¹² that disavowal does not automatically apply to other claims of descendant patents and descendent patent applications, as explained above.

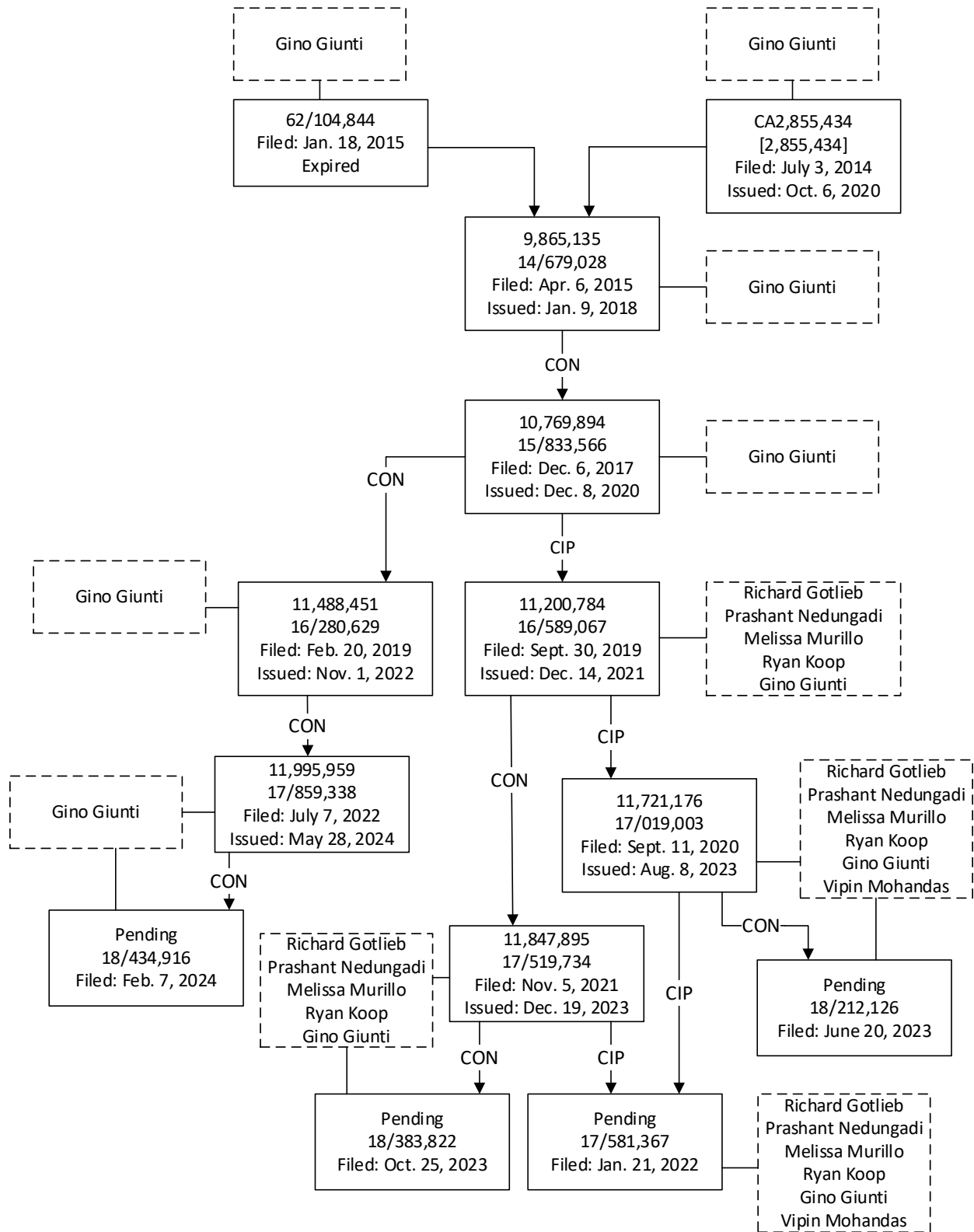
14. The ‘135 Patent is part of a family of patents and patent applications owned by Blackhawk. The diagram below shows the patents and patent applications in the family and the relationships between them.¹³ Arrows connect related documents with a designator such as “CON” for a continuation or “CIP” for a continuation-in-part identifying the relationship between applications that are directly related to one another. The patents and patent applications are also connected to dashed-line boxes listing the respective inventors that have been identified for them.

¹¹ Supplemental Disclosure Statement at 16-17.

¹² Whether or not such disavowal actually occurred is beyond the scope of this report and is a proposition for which I hold no opinion.

¹³ An earlier version of this diagram appeared in my September 14, 2023, report. The diagram herein has been updated to reflect subsequent activity in the Blackhawk patent family.

BLACKHAWK FAMILY MEMBERS



15. Claims granted in Blackhawk Patent Nos. 11,488,451; 11,200,784; 11,721,176; 11,847,895; and 11,995,959, or in pending application Serial Nos. 17/581,367; 18/212,126; 18/383,822; and 18/434,916, could be directed to the QuickTicket V2 Embodiment. In addition, even now and going forward, Blackhawk still could file claims in one or more of the pending descendent applications or one or more other, yet-to-be filed, descendent applications that are specifically directed to the QuickTicket V2 Embodiment. Those claims would not be subject to the disavowal.

16. Hence, as long as a patent application is pending that claims priority back to the application for the '135 Patent, Blackhawk may still file claims directed to the QuickTicket V2 Embodiment. That embodiment has not been dedicated to the public.

Date: July 11, 2024



Timothy E. Newholm