

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 IPR2023-01235
U.S. Patent No. 9,865,135

SUPPLEMENTAL DECLARATION OF MICHAEL HUTTON

I, Michael Hutton, declare as follows:

1. I have been retained on behalf of Interactive Communications International, Inc. (“Petitioner”) in connection with the above-captioned *inter partes* review (IPR). I am being compensated for my time at the rate of \$375 per hour. I have no interest in the outcome of this proceeding.

2. The statements made herein are based on my own knowledge and opinion. This Declaration represents only the opinions I have formed to date. I may consider additional documents as they become available or other documents that are necessary to form my opinions. I reserve the right to revise, supplement, or amend my opinions based on new information and on my continuing analysis.

3. I have been retained to provide my opinions regarding two narrow issues, as discussed herein.

I. LEGAL UNDERSTANDING

4. I incorporate the “Legal Understanding” section from my first declaration.

5. I further provide my understanding of prosecution disclaimer, wherein an applicant can redefine terms within a claim away from their plain and ordinary meaning by, during prosecution, making a clear and unmistakable disclaimer surrendering claim scope in order to distinguish prior art. I understand that any reasonable interpretation of the statements that does not amount to surrendering

claim scope does not constitute a disclaimer. I also understand that in order to disclaim embodiments within the specification, the statements should have some indication that the applicant intended to surrender embodiments from the specification.

II. PROSECUTION HISTORY OF THE '135 PATENT

6. I understand that Patent Owner contends that “pre-printed lottery ticket” should be construed as “a lottery ticket which has no lottery numbers associated with it at the time of customer purchase” because, as Patent Owner contends, the applicant redefined “pre-printed lottery ticket” during prosecution.

7. I have been asked to opine as to whether the applicant’s remarks during the prosecution of the ’135 patent would have been understood by a POSITA as a clear and unmistakable disclaimer of the term “pre-printed lottery ticket” to exclude pre-printed lottery tickets associated with lottery numbers prior to purchase.

8. I have reviewed the prosecution history of the ’135 patent and in particular the applicant’s remarks dated April 3, 2017 distinguishing the prior art reference Yacenda. Ex. 1002, 75-77.

9. In my opinion, a POSITA would not view applicant’s remarks as a clear and unmistakable disclaimer of the term “pre-printed lottery ticket.” A POSITA would (or at least could) interpret applicant’s remarks as providing

examples of a “pre-printed lottery ticket” that Yacenda does not disclose. I note that Yacenda itself does not describe pre-printing of tickets at all, but instead discloses a user selecting lottery numbers and then the system displaying virtual tickets. Ex. 1002, 76.

10. My interpretation of the applicant’s statements is based on the first few sentences the applicant made, which I believe sets the proper context for the rest of the statements. In particular, the applicant stated that “Yacenda does not disclose a pre-printed lottery ticket comprising unique identification information.” Thus, I interpret the applicant as generally distinguishing Yacenda from pre-printed tickets, and later describing examples of pre-printed tickets that Yacenda could not disclose—such as pre-printed tickets without lottery numbers associated with them.

11. In addition, the ’135 patent describes several embodiments where pre-printed tickets do have lottery numbers associated with them. For example, the ’135 patent describes (and depicts in Figure 9), a “pre-printed lottery ticket 912 [that] is already associated with wager information 914,” *i.e.* lottery numbers, “which may be printed on the ticket” before the time of activation and purchase. Ex. 1001, 10:7-10. The ’135 patent also describes that when purchasing a pre-printed lottery ticket, there is a 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.

12. The '135 patent also only describes associating lottery numbers with the ticket when it is scanned, which occurs before the time of purchase. For example, the 35 patent discloses that 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. In fact, 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. In my opinion, without receipt of payment, no purchase has occurred.

13. Thus, in my opinion, a POSITA would not view applicant’s statements as a disclaimer, because the applicant never stated that they intended to surrender multiple embodiments described in the specification.

III. PRE-PRINTED LOTTERY TICKET

14. In addition, even under Patent Owner’s construction of “pre-printed lottery ticket” as “a lottery ticket which has no lottery numbers associated with it at the time of customer purchase,” it is my opinion that Szrek would have rendered this obvious.

15. As I discussed in my opening declaration at ¶71, pre-printed lottery tickets that did not have pre-printed numbers and which numbers were randomly generated during check-out were well-known. As I explained, one reference that discusses such tickets is Gilmore (Ex. 1029). But such tickets were well-known in the art and part of the knowledge of a POSITA.

16. In my opinion, it would have been obvious to a POSITA to incorporate the generation of lottery numbers (*i.e.* “quick picks”) at the time of purchase into the system of Szrek, whether generating numbers at the cash register or the central game provider. A POSITA would have been motivated to incorporate such knowledge in order to: 1) distribute the generation of numbers away from the central office (if generated at the cash register); 2) further reduce the need for a kiosk to print quick picks; 3) minimize the in lane wait time associated with the lottery administrator generating the numbers (if generated at the cash register); and 4) provide each quick pick customer access to all the possible combinations of the current draw, a feature not possible when the random draw is already associated with the pre-printed tickets.

17. In my opinion, a POSITA would have had a reasonable expectation of success in this combination, since it could be accomplished by deferring the generation of lottery numbers to the time of purchase, and performing generation of lottery numbers at Szrek’s game provider or cash register, which was a

generally-known and ubiquitous process by the time of the '135 patent. I note that Szrek already discloses support for “quick pick” (Ex. 1005, 3:31) in which the game provider generates numbers.

18. I also note that the Board in PGR2020-00084, relying on my testimony from that case, found that it would be obvious to combine Szrek with known teachings in the prior art of generating lottery numbers at the time of purchase. Ex. 1008, 66-67. I agree with the Board.

IV. PRODUCT INFORMATION

A. Claim Construction

19. I also understand that Patent Owner has proposed that “product information” be construed as “information that identifies a product but is separate and distinct from wager information and unique identification information.” POR 24-25.

20. In my opinion, that is not the plain meaning of “product information.” I note initially that “wager information” is not part of the claims and thus Patent Owner’s construction would add a limitation to the patent, which I understand is improper. I also note that in a child patent, the '894 patent, claim 14 describes that product information can include wager information such as “wager amount” and “number of wagers.” Ex. 1034. I understand that the same terms from related patents should be construed in the same way.

21. In addition, I understand that by “separate and distinct,” Patent Owner appears to exclude information that can be embedded together in a single piece of information (such as a barcode and/or identifier), since that is what Szrek describes and what Patent Owner is trying to distinguish. For example, Szrek discloses that its “ticket identifier” has multiple parts, one of which is a “sequence counter” and another is a “bet combination.” Ex. 1005, 7:21-31. Szrek also discloses that its barcode can include a “product type” and “ticket identifier.” *Id.*, 6:11-13.

22. However, I note that the ’135 patent itself states that product information can be embedded into a single piece of information such as a barcode. For example, the ’135 patent states that “[o]ne bar code may contain both pieces of information,” *i.e.* “a unique bar code that identifies the particular pre-printed ticket” and “a Universal Product Code bar code that would identify the lottery product.” Ex. 1001, 3:1-5. The ’135 patent also says that “barcode information 112 ... will contain the Ticket Unique Identifier, Universal Product Code and may contain price information.” *Id.*, 5:56-61. Thus, in view of the specification, I do not believe that product information must be separate and distinct from unique identification information, at least in the sense of not being embedded in a single bar code or identifier.

23. I further note that in Figure 5, it only depicts “Unique Identification Information” as being transmitted in step 504, but the specification describes this

as “unique identification information ***along with product information*** of the pre-printed ticket is communicated (504) to a lottery system 220.” *Id.*, 7:45-47.

24. I also do not believe that product information must be “information that identifies a product,” as that is not the plain meaning of the term. In fact, the ’135 patent describes that product information can include “the cost of the pre-printed ticket 108,” which does not identify a product (since multiple products can and often do have the same price). Ex. 1001, 5:53-61. Product information can also include “game information,” which could refer to a broad game categorization or other information about a game that does not necessarily identify the product. *Id.*, 10:10-14.

B. Szrek’s Disclosure

25. In my opinion, even under Patent Owner’s construction of “product information” as “information that identifies a product but is separate and distinct from wager information and unique identification information,” Szrek discloses or renders it obvious.

26. I understand that Patent Owner does not dispute that the “ticket identifier” is transmitted to the game provider. Szrek discloses that the “ticket identifier” includes both unique identifying information and product information.

27. For example, Szrek discloses that a “sequence counter” is a “***part***” of the “ticket identifier,” which can be information that identifies a product and is

separate from the rest of the ticket identifier, which would be unique identifying information. Ex. 1005, 7:28-31. I understand that Patent Owner argues that a “sequence counter” is not product information because it identifies the ticket, but there is nothing in the claims that forbids a piece of information being able to identify both the ticket and product, with another piece of information (such as the rest of the ticket identifier) also identifying the ticket.

28. For example, Szrek also discloses that a part of the “ticket identifier” indicates “what transaction is activated,” which a POSITA would understand identifies the lottery product type, such as “lotto.” *Id.*, 3:47-50. This would be separate from the rest of the ticket identifier, which would be unique identifying information.

29. Szrek also discloses that the barcode contains multiple parts, one “fixed part” indicates the “product type” and a “variable part” is the “ticket identifier.” Ex. 1005, 6:11-13. I understand, however, that Patent Owner contends that the entire barcode is not transmitted to the game provider, only the ticket identifier. POR 40.

30. I disagree. Szrek discloses that the entire barcode can be transmitted. Szrek describes that for non-lottery ticket merchandise, the cash register uses the product type/UPC to look up price information in a database. Ex. 1005, 6:31-34. But for lottery tickets, the request is “transformed into transactional request to the

game provider 250,” indicating that the product type is sent to the game provider to request price information. *Id.*, 6:34-36. This is what I testified at my deposition.

Ex. 2044, 63:25-64:7, 66:15-67:12.

31. In addition, in my opinion, it would have been obvious to communicate the barcode, including both product type and ticket identifier, to the game provider, including through the back office. Since it is the entire barcode that is scanned, transmitting the entire barcode information would be the most efficient method of transmitting information to the game provider, where it can centrally distinguish the product type and ticket identifier from the barcode. Otherwise, if only the ticket identifier is transmitted, every cash register or back office would need to know how to separate it from the barcode and if the lottery administrator wishes to change the format of the barcode, that change would need to be communicated to every cash register or back office in order to support that change. This is highly inefficient and undesirable.

32. In my opinion, a POSITA would also reasonably expect this to succeed, since the game provider already knows the barcode format (because it, for example, sends it to the printer to be pre-printed), and thus already has the software for separating out the product type from the ticket identifier.

V. CONCLUSION

33. In signing this declaration, I recognize that the declaration will be filed as evidence in a contested case before the Patent Trial and Appeal Board of the United States Patent and Trademark Office. I also recognize that I may be subject to cross-examination in the case and that cross-examination will take place within the United States. If cross-examination is required of me, I will appear for cross-examination within the United States during the time allotted for cross-examination.

34. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on the information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code.

Executed: August 7, 2024

A handwritten signature in black ink, appearing to read 'Michael Hutton', with a long horizontal line extending to the right.

Michael Hutton